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NEWS SUMMARY

GENERAL

Backing for TV in House by Foot

Mr. Michael Foot, Leader of the Commons, last night backed calls for the televising of Parliament—only eight weeks after radio broadcasting began.

Owners 'let tankers sink'

A Commons committee examining collision prevention was told by an insurance witness that ships were sometimes allowed to sink for insurance reasons.

Arafat challenge

Five Palestinian guerrilla organisations have issued a powerful challenge to Yasser Arafat by demanding a change in the leadership of the Palestine Liberation Organisation.

Abortion appeal

Mr. Bill Paton, whose wife yesterday won her right to have an abortion against his wishes, is to appeal.

Hooligan jailed

The Police Federation has welcomed the three-year jail sentence imposed on a London football hooligan at the Old Bailey.

Israel relents

Israel has abandoned its attempts to take over the land and property of emigrants from the occupied West Bank following an outcry.

Paper seized

Police seized the latest issue of Egypt's Leftwing weekly, The People for the second week running following Sunday's 98 per cent referendum vote supporting the Sadat Government's curbs on extremists.

Schmidt attacked

The Soviet Embassy in East Berlin has attacked West German Chancellor Helmut Schmidt for joining the Queen on her visit to West Berlin.

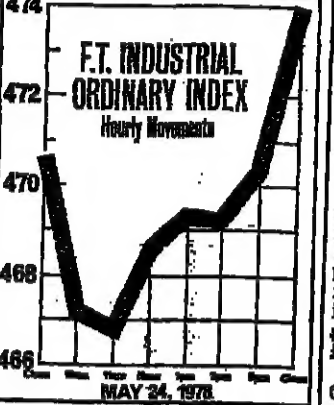
Briefly...

Princess Margaret's marriage to Lord Snowdon ended at the Law Courts, London, in a hearing lasting 1 min, 53 sec.

BUSINESS

IMF boost for equities

EQUITIES received a late boost on reports of the expected announcement today that the



UK will continue its IMF standing by credit (Back Page). The FT ordinary share index closed 3.4 up at 474.6.

GILTS were subdued, and the Government Securities index closed 0.03 up at 70.42.

STERLING rose 20 points to \$1.8125, its trade-weighted index remaining at 61.6. The dollar's depreciation widened to 4.74 per cent (4.71).

GOLD eased \$1 to \$180.1.

WALL STREET was 11.26 down at 84.03 just before the close.

WEALTH redistribution measures have failed to narrow the gap between rich and poor, according to the latest report of the Royal Commission on the Distribution of Income and Wealth. Back and Page 9

RTZ plans joint ventures

RTZ is to co-operate in joint ventures with the large oil companies, which have the expertise and cash to undertake expensive mining, the chairman, Sir Mark Turner has told shareholders. Back Page

SWAN HUNTER has been awarded a limited pre-production planning contract for the third of the Navy's new anti-submarine cruisers. If awarded, the full contract for the £180m ship would provide 3,000 jobs for six years.

MEANWHILE, the president of the General Council of British Shipbuilders has warned that unless world Governments stop subsidising shipbuilding, private enterprise shipping would die from over-capacity. Back Page and Editorial comment Page 23

COMPANIES

NATIONAL BUS made a record surplus of £9.6m (£5.8m) in 1977 but the State-owned company warns that more public finance will be needed if services are to be maintained. Page 8

BOC pre-tax profit for the half year to March 31 fell from £36.5m to £26.2m because of European trade difficulties and the aftermath of the UK gas division strike. Page 25 and Lex

AVON RUBBER pre-tax profit for the six months to April 1 slipped from £2.5m to £2.38m in spite of a £2.65m increase in turnover to £56.97m. Page 27

ALBRIGHT AND WILSON is to try to negotiate a higher bid price than the 165p a share Tenecon has offered for the 50.2 per cent it does not already own. Back Page

BRITISH HOME STORES has disclosed details of a major overhaul of its food business partly reflecting the impact of the food price-war on the company. In contrast, Marks and Spencer reports that its food sales are very buoyant at the moment and that it has not had to reduce its margins on groceries. Page 25

MEPC has maintained its recovery in taxable earnings to levels before 1975 with an advance from £3.97m to £4.4m in the half-year to March 31, helped by rent increases and by letting vacant premises in the UK and abroad. Page 25

Government backs coal search for oil substitute with £20m

BY JOHN LLOYD

The Government is to invest £20m in a £43m programme to achieve the substitution of coal-derived fuels for natural oil and gas by the end of the century.

The programme will run for eight years. The Government's investment of £20m is over the five-year period covered by the public expenditure survey. A further £12m will be invested in this period by the National Coal Board and the British Gas Corporation.

The programme is recommended in a report by the coal industry tripartite working party on research and development, published yesterday. The report recommends three schemes for immediate support and further projects costing an estimated £78m.

Announcing the level of Government support in Parliament yesterday, Mr. Alex Eadie, a junior Energy Minister, said that the Government would consider further financial support beyond the five-year period as required.

The three projects which will begin immediately are research into liquid solvent extraction of the production of petrol from coal, costing £15m; supercritical gas-liquid extraction, or the production of chemical feedstocks from coal, costing £15m; and the fixed-bed synthesis gasifier, or the production of substitute natural gas from coal, costing £12m.

The assumption behind the re-

search is that oil and natural gas will be in increasingly short supply by the 1990s and some substitute for them must be developed now. Mr. Eadie said that it was estimated that coal produced petrol would be economical once oil had doubled its current price.

At present, the price of a gallon of crude oil on delivery to the refinery is 30p. A gallon of coal-produced crude would cost 50p. The cost to the motorist would be about £1 a gallon on present tax assumptions.

Mr. Eadie added that Government backing for the report meant that "King Coal was back in its rightful place again."

The UK's most important energy asset was its 300 years of coal reserves. Steps taken now would create jobs at the end of this century and the beginning of next.

The need for oil from coal, and substitute natural gas, would mean that the country would require all the coal it could get.

The figure of 170m tonnes annual production by the end of the century, the target to which the Coal Board is working, might have to be exceeded. About 80m tonnes of coal would be needed to produce enough petrol to substitute for present supplies.

Among the longer-term projects, the report recommends sympathetic consideration for a substantial measure of financial support to a fluidised bed combustion plant to generate electricity. The project, which would be jointly developed by the Coal Board and Babcock and Wilcox, would cost about £50m.

Fluidised bed combustion involves burning crushed coal in a bed of its own ash. Its advantages over present coal-fired power stations are a reduced sulphur dioxide pollution and the ability to burn lower grades of coal. An early version of the technology has been developed by Babcock and Wilcox.

Other projects in which investment is recommended include pyrolysis, or extracting liquids and gases from coal under heat; and underground gasification, liquefaction and combustion of coal; and high efficiency electricity generation using gasified coal.

UK mechanical engineers 'face slow growth period'

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE U.K. mechanical engineering industry can expect only a marginal increase in demand from both home and overseas, and a very slow growth in output during the rest of this year and in 1978—a National Economic Development Office report says today.

There will be virtually no further increase in employment in the industry through 1978 and 1979, according to the mechanical engineering Little Neddys.

It warns that imports will continue to increase their share of the U.K. market—a record 30 per cent in the third quarter of last year—which is "a trend of 30 years' standing likely to be reinforced by reduced U.K. price competitiveness in 1978 and 1979."

The Little Neddys short-term trends working party points out that it was looking for a 20 per cent increase in new orders for the industry in 1977 compared with the previous year. In the event growth in 1977 was only 7 per cent.

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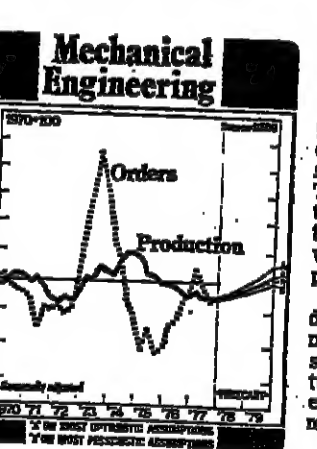
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"Given that at that time we were considerably less optimistic than most other forecasters about the prospects for investment in the U.K., this is a measure of the extent of the failure to increase new orders for the industry in 1977 compared with the previous year. In the event growth in 1977 was only 7 per cent."

The report suggests home orders will increase only gradually in 1978, mainly in the second half of the year.

"On past experience GDP needs to grow at more than 2.5 per cent a year before mechanical engineering output increases substantially," it adds (Current Treasury forecasts are for a three per cent GDP increase in the first half of 1979 compared with the same period of the previous year.)

An increase in industrial production, of which there are lower level forecasts, given the lower level in 1978—given the prospects for growth of world trade and UK price competitiveness.

Mechanical Engineering Industry EDC Short-Term Trends. Free from Neddys Books, 1 Steel Yard, London SW1 8JJ.

Postmen reject Sunday collection

By Philip Bassett, Labour Staff

POST OFFICE plans for the reintroduction of Sunday mail collection were decisively rejected yesterday by the Union of Post Office Workers.

This almost certainly means an end to the plan, since restoration of the service, which involved voluntary overtime working, depended on union approval.

The overwhelming rejection of the proposals by the union's postal workers section, against the recommendation of its executive, means members' hopes of a reduction in Saturday deliveries to obtain a shorter working week are not likely to be achieved.

The 1,000 postal workers' section delegates at the union's annual conference in Blackpool, voted by a margin of 50 to 1 to reject the proposal.

Sir William Barlow, chairman of the Post Office, has given the restoration of Sunday collection top priority in his plan for the service. Last night he said he was "naturally disappointed" by the union's decision.

At the delegates who spoke on the motion argued for the rejection of the Post Office plan. They felt that in the two years since Sunday collections were suspended Post Office staff had grown to value their Sunday free from work. The union's free from work to reduce the working week.

Because pay settlements had not fully consolidated the supplementary increases of phases one and two into the basic pay scale, overtime rates in line with 1975 standards, the financial reward for Sunday working was particularly unattractive.

Mr. Maurice Styles, general secretary of the section, said union members were angry and indignant about the Post Office's proposals. The abolition of Sunday collection by the Post Office was "the height of folly" and the union had campaigned for its restoration.

"Now, though, members were against its reintroduction."

Earlier this week Mr. Tom Jackson, general secretary of the union, said the abolition of Sunday collection was "a mistake of immense proportions."

The Post Office, which claimed suspending the service saved £5m a year, had proposed a compromise on Sunday collection after public complaints about its suspension. Collections would be made from all post offices and other selected boxes.

Telephones dispute Page 23

In New York

	May 25	Previous
Spice	\$1,200.00	\$1,200.00
1 month	0.85-0.87	0.85-0.87
3 months	1.43-1.45	1.43-1.45
12 months	5.80-5.85	5.80-5.85

New York challenge to Lloyd's

BY DAVID LASCELLES

NEW YORK, May 24

NEW YORK may soon challenge Lloyd's of London dominance of the world insurance market by setting up its own trading floor where syndicates could underwrite world insurance risks.

Proposals of this kind have appeared before but Lloyd's recent blocking of attempts by U.S. insurance brokers to buy control of Lloyd's brokers has given them additional impetus.

A Bill was introduced into the New York State Assembly today with the strong backing of Mr. Hugh Carey, State Governor. It seeks to amend state insurance laws to allow creation of such an exchange.

No surprise

If the Bill goes through—and the timing was not clear today—Mr. Carey is expected to propose that draft by-law and a constitution for the exchange be drawn up by next March.

The Bill aims to create a trading floor and a syndicate system which, its sponsors concede, is modelled closely on Lloyd's.

Syndicates would be composed of member brokers and insurance companies which would compete for insurance business—mainly re-insurance and large or special risks.

At present the insurance industry is regulated tightly by state law, which makes free competition virtually impossible.

Insurance companies must usually have their premiums approved by the state insurance commissioner and most of re-insurance business goes to London.

Supporters of the Bill argue that present law is unnecessarily restrictive and that places a burden on the U.S. balance of payments by forcing insurance funds out of the country.

They add that the size of the U.S. insurance industry demands a proper centre.

Clearly, they also resent Lloyd's privileged position. Mr. John Regan, chairman of Marsh and McLennan, one of the two large U.S. brokers recently prevented from increasing its presence at Lloyd's, outlined the U.S. discontent last week.

"No comparable market (to Lloyd's) exists in this country, even though more than 50 per cent of worldwide insurance premiums are produced in the U.S., compared with less than 5 per cent in Great Britain."

The New York reinsurance exchange would provide an alternative to Lloyd's that would help satisfy the need for additional capacity for reinsurance and special risks," he said.

Insurance brokers generally back the Bill but some reservations have been expressed by the insurance companies themselves. They say the proposals are still too vague.

Specifically, they fear that the emergence of a new animal, the insurance syndicate, would threaten their position and possibly even blur the distinction between insurance brokers and underwriters.

Not clear

In London the British Insurance Association said that there was insufficient detail to form a view.

Lloyd's of London said: "We do not yet know the full implications of this proposal. But we move itself did not surprise us. We have known that this was on the cards for some months."

Scottish reactor go-ahead

BY JOHN LLOYD

THE South of Scotland Electricity Board has received the go-ahead to build an advanced gas cooled reactor (AGR) power station at Torness, in East Lothian, in January this year, Mr. Anthony Wedgwood Benn, the Energy Secretary, announced the scrap-

ping of the SGRWR programme was given yesterday by Mr. Bruce Millan, Secretary for Scotland, ordered, including one for no reason.

Further approval from the Scottish Secretary was required before construction could begin. The Torness station will have an installed capacity of 1,330 MW. Site preparation, which will begin immediately, will take an estimated 18 months, after which construction will begin. The station is scheduled to be on stream in the late 1980s.

However, the Government's decision to adopt the SGRWR system came under review before construction had started. In Lothian, in East January this year, Mr. Anthony Wedgwood Benn, the Energy Secretary, announced the scrap-

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Midland Bank	575 + 9
Trafalgar House	133 + 4
Unilever	515 + 10
Western Bros.	68 + 8
Siebens (UK)	480 + 24
Gopeng Cons.	285 + 10
Malayan Tin	390 + 15
Messina	93 + 4
Minoreo	173 + 6
RTZ	215 + 10
Southern Kinta	205 + 10
Southern Malayan	295 + 10
Whim Creek	60 + 10

FALLS

Algonate	260 - 18
Avon Rubber	185 - 28
Borthwick (TY)	57 - 9
Crystallite	25 - 2

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EUROPEAN NEWS

Paris Cabinet adopts simplified Bill for share-dealings tax

BY DAVID WHITE

PARIS, May 24

THE FRENCH Cabinet today approved changes to a long-awaited Bill introducing taxation on profits from share dealings. The Bill, which completes the Government's range of capital gains tax legislation, is due to go to the National Assembly at the end of the month.

The Bill comes in much-simplified form, borrowing largely from the British and U.S. systems of flat-rate deductions.

The original draft brought forward in July 1976, was to have come into effect with other capital gains laws in January. Introduction was put off for 12 months, first because the legislation was felt to be unwieldy, second because the Stock Market was depressed and third because the Gaullists in the Government coalition took exception to it.

The new rules presented by M. Maurice Papon, who holds the newly-created post of Budget Minister, set differential tax rates for three classes of investor. These depend on whether share profits form the investor's main, second or merely occasional source of income.

People who make their living from the Bourse will be taxed on their earnings as part of their income tax. Those judged to be semi-professionals, who make a regular income from the Bourse and semi-professional investors.

Giscard disarmament plan

BY ROBERT MAUTHNER

PARIS, May 24

M. GISCARD D'ESTAING, the French President, today flew to New York to present France's new disarmament plan tomorrow to the UN General Assembly's special session. He is due to have a working dinner with President Carter in Washington on Friday.

The French proposals mark the end of France's long boycott of international disarmament discussions, which dated from the time of General de Gaulle's presidency.

President Giscard will propose that the Geneva disarmament conference should be replaced by two separate United Nations bodies. One of these, a reincarnation of the old UN Disarmament Commission, would be mainly a discussion forum open to all UN States. A more restricted body, made up of 30 to 40 States representing all the regions of

Le Saffre in U.S.

Le Saffre, a French foods processing concern, has agreed to build a yeast manufacturing plant valued at about \$15m on a 23-acre site obtained with the assistance of the Philadelphia Industrial Development Authority. AP-DJ reports from Philadelphia.

The plant will be in an area recently designated a free trade zone.

Saudis 'may divert reserves to France'

By Our Own Correspondent

PARIS, May 24

EXPECTANCY about a possible large inflow of official Saudi Arabian funds into France is gaining momentum here. Middle East financial circles in Paris said that Saudi Arabia, whose head of state, King Khalid, is due in France next week, might divert part of its reserves into France, thereby easing the French general election has been cleared.

A weekly Arabic-language publication here, al Watan al Arabi, has asserted that the Saudi Arabian Monetary Agency (SAMA) is ready to deposit \$5.1bn in French banks if there is a positive outcome to King Khalid's three day visit, starting on Monday.

The report, which said the deposits would be made in order to "reinforce the French economy," drew no comment from French officials.

Saudi Arabia previously refrained from placing money in France, they said, in view of the fears of a left-wing election victory and the business uncertainty that preceded the March election, and the possibility that banks and big industrial concerns would be nationalised.

The report in al Watan al Arabi also said that France would seek to extend its current agreement on purchases of Saudi oil. French officials said that the oil pact signed last year when President Valéry Giscard d'Estaing was in Saudi Arabia would be one of the items under review.

Jamie Buchanan adds from Jeddah: Banking sources here did not rule out the possibility of a large inflow of official Saudi funds into France. But they point out that it would be unlikely to be as a result of a drawing down of the vast official Saudi holdings in the U.S.

Given the oft-reiterated Saudi support for the U.S. dollar, it would be more likely, they thought, to take the form of a commitment against future reserves.

In view of recent French military interventions in Africa, and Saudi concern about the extension of communist influence there, it is thought quite credible here that such a commitment might be made as part of a joint understanding between the two countries on African security.

West German experts discount early renewal of growth

BY ADRIAN DICKS

A RECOVERY in the growth of the West German gross national product is not to be expected before the second half of this year, after the heavily negative effects on the first quarter of bad winter weather and industrial disputes. That is the conclusion of a report on the economy during the first quarter published today by the Berlin-based German Institute for Economic Research.

According to the analysis, there was a fall in real GNP growth between the fourth quarter of 1977 and the first quarter of 1978. Measured against the first quarter of 1977, the economy had expanded by only 1 per cent.

Attempting what it concedes to be a difficult exercise, the institute goes on to say that after allowing for strikes and bad weather, the first quarter showed a 0.5 per cent increase from the last quarter of 1977 and a 2 per cent increase from the first quarter of 1977.

At the very least, these reflections from a body often thought of as being in broad sympathy with Chancellor Helmut Schmidt's Social Democratic Party confuse the task which the Bonn Government has set itself

of reconsidering its foreign "partners" calls for fresh stimulatory measures in the light of first quarter performance.

The institute's main message seems to be that the first quarter figures are so massively weighed down by social factors that any conclusions drawn from them must be hesitant.

The institute does not mention directly the issue of further stimulatory measures, most recently pressed on the German Government by Mr. Denis Healey, Britain's Chancellor of the Exchequer, during this week's meeting of European

Finance Ministers in Brussels. Illustrating its main thesis, the institute points to the 4 per cent drop in building output, even after seasonal correction, and asserts that in real terms, spending by business on capital equipment actually fell by 2.5 per cent during the first quarter.

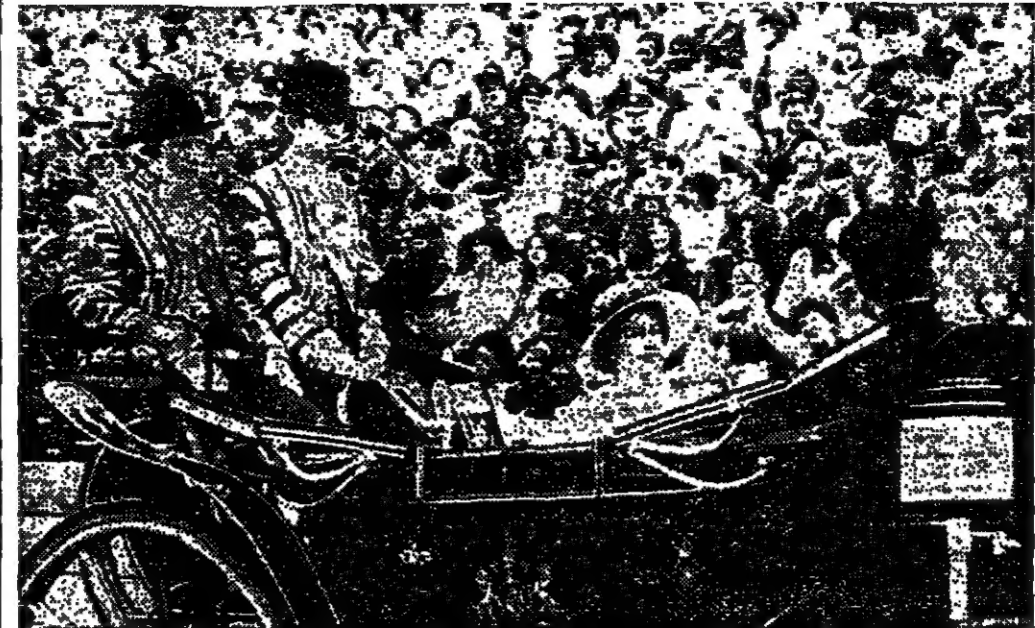
A similar warning against the prospects of any early recovery of growth was sounded today by Herr Karl-Otto Pöhl, vice-president of the Bundesbank. Referring to what he called a "virtual stagnation" during the first few months of this year, Pöhl held that the combination of monetary and energy-saving

measures in the motor industry and the improved position of the building sector were virtually the only bright spots in the domestic economic area.

The Bundesbank's vice-president expressed less qualified optimism on the subject of the external position, and said he was relatively confident that the recent stabilisation of the dollar against the mark on foreign exchange markets would endure. He paid tribute to recent actions by the U.S. authorities as finally putting into practice the commitment to an inflationary

policy and to energy-saving measures.

BONN, May 24



Birthday parade in W. Germany

The Queen revisits Berlin: Britain's Queen Elizabeth (shown above during yesterday's drive past her birthday parade) told cheering West Berliners of the United Kingdom's continuing commitment to "defend your freedom for as long as need be, till the divisions in Europe and your city can be healed." Herr Helmut Schmidt, the West German Chancellor, responded by thanking Britain for "standing firmly" in the city and then recalled the major changes that have taken place there since the Queen's visit in 1966, her first to West Germany. The four-power Berlin agreement, Herr Schmidt said, was an important step in "reducing tensions in the middle of Europe and alleviating the effects of the division in Germany and Europe." West Berliners, writes Leslie Collitt, in the main agree that much has improved since the four-power accord opened East Berlin and East Germany to them for regular visits and lifted virtually all controls on traffic between West Berlin and West Germany on the East German autobahn routes. West Berlin, which lived at an emotional pitch for decades and came to believe it was the crux of East-West politics, is having to learn to deal with more prosaic problems: halting the loss of factory jobs

in Germany's largest industrial city, attracting West Germans to live and work in an island city and integrating more than 100,000 foreign workers from southern Europe and Turkey, lured here at the height of the economic boom and showing no sign of wanting to leave even in a recession. West Berliners have grown somewhat more muted since they yelled themselves hoarse when the Queen was last here. They are adjusting to a much longer haul, continuing to survive as a western city 110 miles inside the borders of the Warsaw Pact at a time when the immediate Soviet military threat to the city has seemingly passed.

● The Soviet Embassy in East Berlin yesterday accused Herr Schmidt of violating agreements on West Berlin by accompanying the Queen to the city. Reuters reports that the Embassy statement said "certain circles" in West Germany and West Berlin were trying to present the visit as part of the Queen's state visit to West Germany. "This goal was apparently served by the fact that the federal Chancellor of the Federal Republic of West Germany, Helmut Schmidt, accompanied the Queen, although it is generally known that West Berlin is not a part of the FRG and cannot be ruled by it."

Moscow gunman held in hostage incident

MOSCOW, May 24

A HOODED man today fought a gun battle with police in central Moscow after, seizing two Russian hostages in the Finnish airline office and demanding a plane to take him out of the Soviet Union.

The man, officially identified as a Soviet citizen, fired several blasts from a shotgun through the window of the five-level office close to the Kremlin during the 90-minute siege before he was seized and driven away.

Miss Lyudmila Semyonov, 40, the airline's secretary and one of the two hostages, was cut by flying glass in the incident but no-one was seriously injured.

The second hostage was a Russian driver employed by the Finnish embassy who had just arrived at the office when the gunman burst in shortly after midnight, brandishing a double-barrelled shotgun and wearing a black hood.

Miss Semyonov told reporters later that the man, aged about 30, said he wanted a plane "to fly him away." He told one reporter who telephoned the Russian office: "I represent the Russian

liberation army which fought alongside the Germans."

But it appeared unlikely that the gunman could have had any connection with that force, most of whose members were executed or given long prison terms after the war.

In a report on the incident issued some two hours after it was over, the Soviet news agency Tass, said police had established the man was a wanted criminal. It did not name him.

The last known kidnapping incident in Moscow was in 1968 when a man in police uniform opened fire inside the Kremlin grounds on a cortege of cars carrying senior officials and Mr. Leonid Brezhnev, the cosmonaut, who was just back from a space flight.

A man in plainclothes, apparently from the KGB security service, briefly detained two Western reporters. They had arrived a few minutes after the incident was over, and one of them was filming the smashed windows and the bullet holes in the glass when the official intervention began. They were released after the film was handed over.

Reuters

Orlov sentence attacked

ROME, May 24

THE ITALIAN Communist newspaper, L'Unita today sharply criticised the sentence on "just struggle" of the Soviet dissident Yuri Orlov.

The moderate Communists also announced they will hold a symposium praising the liberalising efforts of Czechoslovak Communists during the "Prague Spring" ten years ago which was ended by the invasion of Soviet Union and Cuba to help Ethiopia in its efforts to crush

insurgents in Eritrea, saying the Eritreans were engaged in a "just struggle."

Insurgents in Eritrea, saying the Eritreans were engaged in a "just struggle."

UK will resist EEC lorry weights accord

BY IAN HARGREAVES

OSLO, May 24

BRITAIN WILL resist moves by the EEC to gain agreement this year on higher lorry weights and dimensions.

Mr. Raymond Burke, the EEC Transport Commissioner, told the annual congress of the International Road Transport Union (IRU) here that he was hoping for "a new approach towards at any rate a partial solution" to the weight problem this year.

But senior British Government sources have indicated that there is no chance of Britain agreeing in the foreseeable future to raise the present 32-ton maximum weight for commercial vehicles. Higher lorry weights are a sensitive issue with a general election in sight, and the opposition of the Liberals on environmental grounds to any such change would present difficulties in getting the measure through Parliament.

Department of Transport officials remain sympathetic to the need for Community-wide standards of vehicle weights, which would allow a 44-tonne truck to haul a 44-tonne trailer, but they believe a great deal more work needs to be done on the proposal.

Any change would have to involve increasing the 32-ton limit, perhaps to 40 or 44 tonnes, but there is still widespread disagreement among EEC states on the optimum axle-weight configuration and on the fundamental issue of whether regulations should apply to both domestic and international operations.

Britain would prefer a single international set of standards, but countries like Italy, which already has a maximum of 44 tonnes, would strongly resist any pressures to reduce this limit.

Mr. Burke also appealed to road-haulage associations —

strongly represented at the congress — to press their governments to back the development of an EEC transport infrastructure fund.

The first meeting of a new committee to discuss co-operation on infrastructure planning is planned for next month, but Mr. Burke made it clear that ministerial backing for the Community role in financing international projects is the next key step.

It has been suggested that a Channel Tunnel might form one project for such a fund, and the EEC is currently considering whether to finance a research project on the Channel link. Although the infrastructure fund may be considered at next month's meeting of the Council of Transport Ministers, progress is unlikely because of the large amount of detailed work still outstanding.

A major theme of the IRU congress has been an attack upon the growing hostility of several governments towards the heavy lorry. Austria, which is about to impose a tough transit tax, was again singled out for criticism. Dr. R. Schober, the union's president, said that such taxes were creating a severe drain on hauliers' profitability and would, in the long term, damage the growth of international trade.

A resolution to be put to the congress tomorrow speaks of "ever-increasing obstacles" to road transport caused by taxes, administrative burdens, and petty official controls, and argues that vehicle taxation should "correspond to an objective assessment of road infrastructure costs incurred."

The latest statistics from the IRU, which has members in 52 countries, suggests that the world's total of commercial vehicles might well exceed 100m by 1990. The number grew from 60.9m in 1973 to 63m in 1974.

Signs of end to fall in Spanish inflation

BY ROBERT GRAHAM

MADRID, May 24

THE SPANISH consumer price index rose by 1.7 per cent in April, according to provisional figures just released here. This is the first substantial monthly increase this year, and is a welcome sign that the Government's programme of controlling inflation may be under pressure.

In the first four months of the year, the Spanish consumer price index has increased 5.3 per cent, a rate which if continued for the whole year would be on target for the Government's plan of reducing inflation to 16-17 per cent for 1978.

This compares with an increase of 9.2 per cent in the first four months of 1977. The sharp fall has been achieved by a combination of rigorous control of the money supply, adherence to wage ceilings and the generally depressed state of demand.

The increase in the money supply has so far been kept marginally below that which would produce the 17 per cent rise which is the target for the whole year. At the same time, new wage agreements have adhered to the 22 per cent ceiling which has been accepted by both management and the unions.

The high 1.7 per cent April increase in the consumer price index is, however, only one of a number of worrying developments on the inflation front. In April, the Government agreed to an average 16 per cent increase in prices of basic agricultural products, expected to be higher when passed on to the consumer.

Secondly, the Government has approved price rises for steel and steel products, and more important, it is contemplating a whole range of price increases for utilities, electricity, and industrial fuels, which are considered unrealistically low priced.

As wage agreements generally provide for the full permitted 22 per cent rise — and as in some

cases the limit is awarded by reclassifying employees — inflation is almost certain to speed up in the latter part of the year.

The main immediate concern for the Government is to ensure that by July it is not running at an annual rate of 25 per cent. For if this were the case the Government would be bound by the terms of the Moncloa Pact, the package of political and economic measures agreed with the opposition last October, to review the existing 22 per cent wage ceiling. Such level of inflation is, however, most unlikely.

But if inflation is beginning to pick up slightly, the Government can take some comfort from the continued strong performance of exports. In the first four months exports topped Ptas333bn (\$4.2bn), a 42 per cent increase in peseta terms on the same period last year. Meanwhile, imports grew at 17 per cent, to Ptas467.3bn (\$5.8bn), which reduced the trade deficit by 17 per cent.

Norway oil applications

By Fay Gjester

OSLO, May 24

THE NEWLY-CREATED Volvo Petroleum will be one of about 30 oil companies to file applications for one or more of the 15 North Sea blocks which Norway has offered in its fourth licensing round, the Oslo newspaper Aftenposten predicts today.

Deadlines for applications is June 1, and so far only a few have been filed. Normal oil company practice is to file just before the deadline expires. Advance inquiries by the interested companies give the Oil and Energy Ministry a fairly good idea, however, of which companies are likely to apply.

PORTUGUESE OIL EXPLORATION

Decision on onshore concessions shortly

BY JIMMY BURNS

LISBON, May 24

THE PORTUGUESE Government is expected to take a decision within the next two months on a recommendation as to which oil companies should be granted prospecting and drilling concessions for onshore oil, due to begin on the Portuguese mainland by the end of next year.

The recommendation will be made in an initial report by the Portuguese Department for Oil Exploration and Drilling which has been leading nego-

tiations with representatives from seven major oil companies since the beginning of April. Although officials are keeping the full list of these companies secret for the time being, it is known to include Petrosal, the nationalised oil company which recently signed a technical assistance contract with the multi-national Shell-Petropar company.

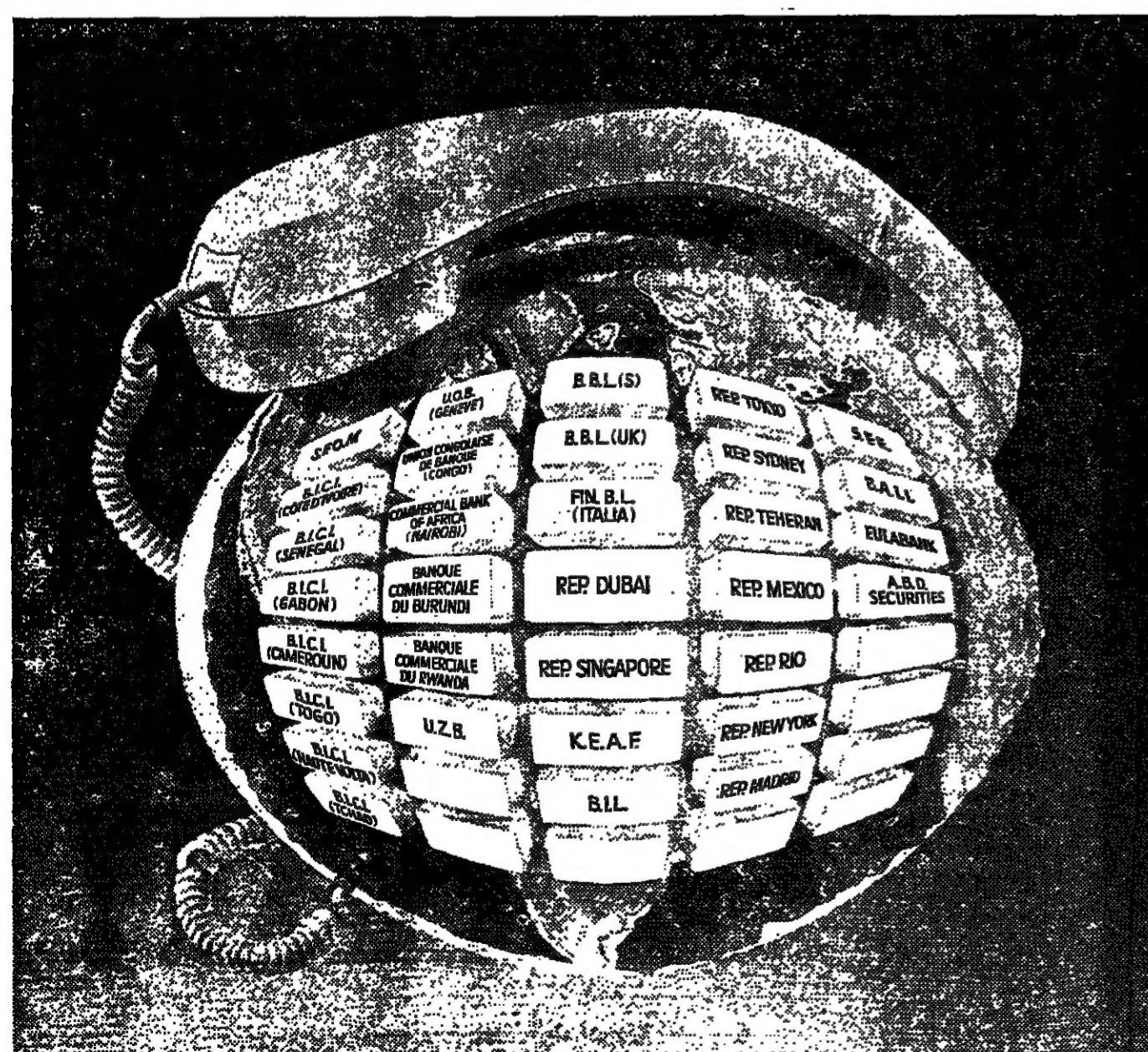
Shell, along with Esso, Chalenger, Sun Oil, Chevron and Texaco, was made a concessionary in 1973 and 1974 for

off-shore drilling. Although total investment in this project by the oil companies is estimated to have been in the region of \$150m (pre-devaluation calculation), only small quantities of high quality oil has been found. Nevertheless Shell-Petropar is known to have handed the Portuguese Government a confidential report last year suggesting the feasibility of continuing exploration on-shore.

Oil along with foodstuffs and capital equipment make up over 50 per cent of Portugal's

total imports. Officials here feel that in spite of the dampering results of off-shore drilling, the onshore project is worth a try if only as one more attempt to find a solution to the country's present balance of payment deficit of \$1.5bn.

Meanwhile alternative forms of saving energy are being contemplated by the Government. A White Paper is due to go before the Portuguese Parliament within the next month recommending the installation of nine nuclear power plants by the year 2000.



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OVERSEAS NEWS

TELECOMMUNICATIONS IN SPAIN

Split control of a key monopoly

By Robert Graham in Madrid

LARGE COMPANIES in Spain prefer to be seen and not heard. What they expose of themselves is usually selective—and frequently confusing. The public profile of large companies is most confusing where the company contains substantial State equity. Because successive governments have concerned themselves little with clarifying the difference between private and public enterprises, a curious hybrid has evolved—a company that has an important State involvement and enjoys a privileged status, yet which acts as a private company.

A new law now being drafted on public enterprises is attempting for the first time to shed black and white on this grey area. Officials drafting the law favour a definition that would automatically make any company with a State holding of 50 per cent or over a public enterprise. If this materialises then at least one of the two main monopolies at present regarded as private—the petroleum marketing monopoly Campsa, and the telephone monopoly run by Compania Telefonica Nacional de Espana—would become public.

The largest State shareholding is in Campsa, where the Finance Ministry holds 51 per cent. This would lose its private status. More problematical is Telefonica, in which the State holding is 46.25 per cent.

Telefonica, founded in 1924 in collaboration with ITT, has no doubts about its position.

The two principal shareholders in Telefonica are the Ministry of Finance, with 34.55 per cent of the shares, and the Bank of Spain with 11.7 per cent.

According to its chairman, Sr. Tomas Alende y Garcia Baxter, Telefonica is a private company providing a public service and geared to make profits for its 603,522 shareholders. Although Telefonica has more individual shareholders than any other company in Spain, the two main ones happen to be the Ministry of Finance and the Bank of Spain, which hold 34.55 per cent and 11.7 per cent, respectively.

For a company occupying such a strategic sector, it would be hard for the State not to be closely involved. There is a special Government appointee on the Board, and there are three other members considered Government representatives. But the special status of Telefonica is more in its fiscal treatment. Telefonica is exempt from normal taxes and instead pays 15 per cent of net profits or six per cent of turnover, whichever is the higher.

The State also has the right to half the profits above 7 per cent of capital and reserves, in addition to which Telefonica pays a quota of subscriber fees to the Government. If profits fall below the seven per cent level then the company is entitled to an automatic tariff increase—although in practice the company seeks prior Government approval.

Telefonica can also tap the cheap finance from that portion of deposits which the savings banks are obliged by the government to set aside for use in specific sectors. Furthermore, Telefonica traditionally relies upon the houses as an important source of capital, the biggest single shareholders, the Finance Ministry and Bank of Spain, can be relied upon to underwrite the success of share issues. Until last July, when the Bank of Spain reviewed its policy of intervention on the houses, intervention in Telefonica shares was one way of influencing house prices. Telefonica shares account for some 20 per cent of total house turnover. Not surprisingly, Telefonica is one of the blue chip shares in Spain and its profits are double those of any other Spanish quoted company. Net

Telefonica's investments this year total \$1.1bn, equivalent to 6 per cent of the State budget; its 54,000 workforce is second only to that of the railways.

by Telefonica purchases—equivalent to \$231m (Pta 18.5bn) last year.

Can therefore the private nature of this expanding monopoly continue? Some Government officials believe that Telefonica is too important to be allowed to act as a private company. Therefore, if the company falls outside the scope of the new law relating to public enterprises, then the State must ensure that it is treated as a public enterprise. The present mood of all the political parties is to play down talk of nationalisation, and Telefonica for its part confidently claims that no Government could afford to foot the compensation bill. Thus the former course seems the most likely—although Telefonica is expected to do its best to resist.

Simon Henderson reports from Islamabad on the Bhutto appeal. Below, David Dodwell writes on the man tipped as Pakistan's next Premier

A sense of exhaustion

THE HEARING of the appeal against the death sentence on the former Pakistan Prime Minister Mr. Zulfikar Ali Bhutto means that the country has been going through for more than a year is approaching its climax. The sense of exhaustion from the long period of stress emanates from all sections—the military now running the country under the leadership of General Zia ul Haq, the administration that has had to do a radical about-turn between two regimes, and the ordinary people whose chance of electing a government appear as far away as ever.

It was the disputed result of the March 1977, polls which started agitation against Mr. Bhutto, and fresh elections were originally said to be General Bhutto's aim. Yet they appear to have been passed as Pakistan has reverted to its age-old

formula of being run by the military bureaucratic hierarchy. General Zia's statements, which commit him to no date, seem mere lip service to the idea of an elected form of democratic government.

But if General Zia and others in his regime are gratified by the near conclusion of the first stage of their exercise in power, they must be anxious about the problems they still face and several new ones that are now emerging. The number one problem is that of the fate or future of Mr. Bhutto. His popular support remains, but the degree to which his supporters would be prepared to take on the military has declined enormously since the death sentence was announced two months ago. There seems an Islamic fatalism to be prevalent which accepts that he will die.

The other problems are a mixture of old and new—the

nuclear reprocessing plant which they hope to buy from France, the frail economy propped up precariously by remittances from Pakistanis abroad, and the change of regime in neighbouring Afghanistan where a left-wing coup toppled President Daoud last month.

The factor in the military's favour in tackling these problems is that the regime, more than in the past, appears to be acting on a political plane, not making decisions before it has expressed view in military circles that Mr. Bhutto should be hanged, no one is publicly insisting on it while the appeal is before the Supreme Court. It is a most useful defence to ward off the foreign appeals for clemency.

Acting against the military is the progressively narrowing base of support that they have in the

country. Organised labour has been alienated by overt support given to the employers, the encouragement of rationalisation and therefore of sackings, and the almost complete ban on normal trade union activity.

Prison sentences and occasional whippings for protesting against interference with the media has turned journalists and newspaper workers away. Most dangerously, the degree of support which General Zia has from the two minority provinces of North West Frontier and Baluchistan is questionable. The National Democratic Party which has been prevented from participating in any so-called national government which General Zia might want to form.

It is the plan for a national government which provides the best proof that Pakistan politics are returning to their norm. The strongest contenders for positions in it are the two groups which rate lowest on a scale of adherence to popular democratic principles, the Pakistan Moslem League of the Hereditary Saint, the Pir Pagaro, and a faction of the former governing People's Party, led by an ex-convict of Mr. Bhutto, Maulana Kausar Niazi.

With the almost complete ban on politics it is very difficult to judge the strength of either of these two groups but observers doubt whether even together they would receive 25 per cent of the popular vote in a poll, and it could be that they would never get above single figures. The electoral showing would perhaps depend on the degree to which they were officially adopted by the military regime and the extent to which other parties were prevented from participating so that the vote would not be split in all directions. The so-called Islamic parties—and this is crucial—have yet to commit themselves to a national government, largely

because they dislike the idea of having Maulana Naizi in the same cabinet. A national government would provide no real leadership, and the personalities in it would mostly be the habitual politicians of Pakistan, rich landlords and businessmen who either directly control a local electorate because it is a personal freedom, or know that by allying themselves with the dominant force they can acquire power and influence without a popular base.

The one positive aspect of a national government would be if it were to succeed in developing Pakistan politics along normal democratic lines with a viable government party and a viable opposition. However, as the lively members exclude the National Democratic Party, Bhutto supporters, the potentially powerful independent Asghar Khan, and perhaps the Islamic parties, it looks as if the wrong parties have been chosen.

General Zia is unlikely to meet stiff domestic political opposition for at least several months. The control of the Press means that the military can effectively damp down public debate at home and therefore not have its failures examined. However there will be challenges. Economically the country is so stretched by increasing imports that officials speak of drastic measures being necessary. Also the Aid to Pakistan consortium countries look like imposing stiff conditions for rescheduling of debt worth U.S.\$300m over five years.

After months of uncertainty General Zia is still in power, but the military can endow itself with influence of other generals whose power in some fields is certainly very great. But General Zia is still all powerful in the most public sectors of his Administration. Predictions of imminent chaos have to be played down. His grip is firm, but while his support is precariously based, there remains a lingering doubt.

Israel halts take-over of W. Bank property

By David Lennon

TEL AVIV, May 24. ISRAEL today dropped its attempt to take over the property and land of emigrants from the West Bank.

The Custodian of Absentees' Property today began again to accept the powers of attorney given to West Bank residents to manage the property of those living abroad. His refusal during the past three months to recognise these legal documents led to an outcry which has severely embarrassed the government.

One of the leaders of the protest, Mr. Elias Freij, the Mayor of Bethlehem, said that if Israel had succeeded in "laying its hands on 100,000 acres of land which it considers abandoned, then it would not have left us any space to have a Palestinian homeland or an independent State."

Under an order issued by the military government when the occupation started in 1967, all West Bankers not in residence were considered as absentees, their property regarded as abandoned and its title vested in the Custodian of Absentees' Property.

But in practice this law was only applied to land and other property of former West Bank residents living in Arab or "enemy" countries. Three months ago, the Custodian began to apply the law also to the property of those Arabs who live in the West. He refused to accept the powers of attorney, thus preventing any sale or transfer of property.

After days of denial that there had been any change in policy, the Custodian today announced a reversion to the former policy. This was the first admission by Israel that there had been an attempt to gain control over the emigrants' property.

Waiting in the wings

GENERAL ZIA UL-HAQ, who heads Pakistan's military regime, seems daily less likely to loosen his grip on power. But if he ever decides to fulfil his promise of an early return to civilian rule, then his first choice of successor is likely to be Abdul Wali Khan.

Wali Khan, who is 61, first made his mark on Pakistan's politics during the furious horse-trading over the partition of India in 1947: both he and his father, Abdul Ghaffar Khan, opposed partition. They were also dogged pacifists, and firm adherents of democratic principles. These stands have caused Wali Khan to spend 10 of the past 30 years in jail.

He can thank Pakistan's former Prime Minister, Zulfikar Ali Bhutto, for his latest confinement. So Mr. Bhutto's complaints of ill-treatment while in prison awaiting an appeal against a death sentence, rouse great sympathy. Like most politicians in Pakistan Wali Khan is convinced that Mr. Bhutto is guilty and that the sentence should be carried out, as he was clear in an exclusive interview in London.

"Five of our best judges sitting in the Supreme Court found Bhutto guilty and sentenced him to hang," he said. "No one should turn round and say that is not correct. The pressure from the people is very strong."

"Just because Bhutto went to Oxford, speaks English nicely, wears smart Western suits and has charming manners, people can't believe he could do such terrible things," he added.

Wali Khan's personal antipathy towards Mr. Bhutto is well documented. He sees him as power-hungry, unprepared to brook criticism, and unwilling to risk losing power through the democratic process. After spinning a huge web of patronage based on bribery and terror, Wali Khan claims he overturned the constitution and overran the judiciary.

"Two things I can never forgive Bhutto," Wali Khan said. "He has destroyed the infrastructure of Pakistan's democracy, and he has left the economy in tatters. A legal friend always argued that our constitution had the checks and balances in place to defend us from tyranny. But Bhutto turned these into blank cheques and cash balances."

"Blunders"

Wali Khan has given his blessing to General Zia's military regime, despite its much-publicised excesses, because he feels Zia will clear away the "filth" left by Mr. Bhutto's use of patronage. He concedes that Zia made early blunders, and that the new regime has used draconian punishment. But he seems able to forgive Zia his excesses, confident that he will stick to his promise of an early return to civilian rule.

Many now see General Zia's "Operation Fairplay," in which he promised elections in October last year, as little more than a sick joke. But Wali Khan still has faith. He has even approved Gen. Zia's use of military tribunals to by-pass open courts. "Our civil courts would take years to handle Bhutto's case," Wali Khan argues. "If we wait elections soon, and a return to democracy, then we must use military courts."

Wali Khan also complains that the international Press has been hard on Gen. Zia. Gen. Zia, he claims, has released 11,000 political prisoners. The floggings now conducted in public were simply carried out in private under Mr. Bhutto.

"It is strange, but while Pakistan has had democratic military rule, it has only had undemocratic civilian rule."

Though he is talked of as a future premier in Pakistan—if the country ever manages to unshackle itself from military rule—a five-year ban against his standing for office imposed by Mr. Bhutto is still in force. His National Awami Party has been disbanded. In its ashes, however, the National Democratic Party (NDP) has been created, with Wali Khan's wife, Naseem Wali Khan, bringing a new sense of direction and purpose to its demoralised members.

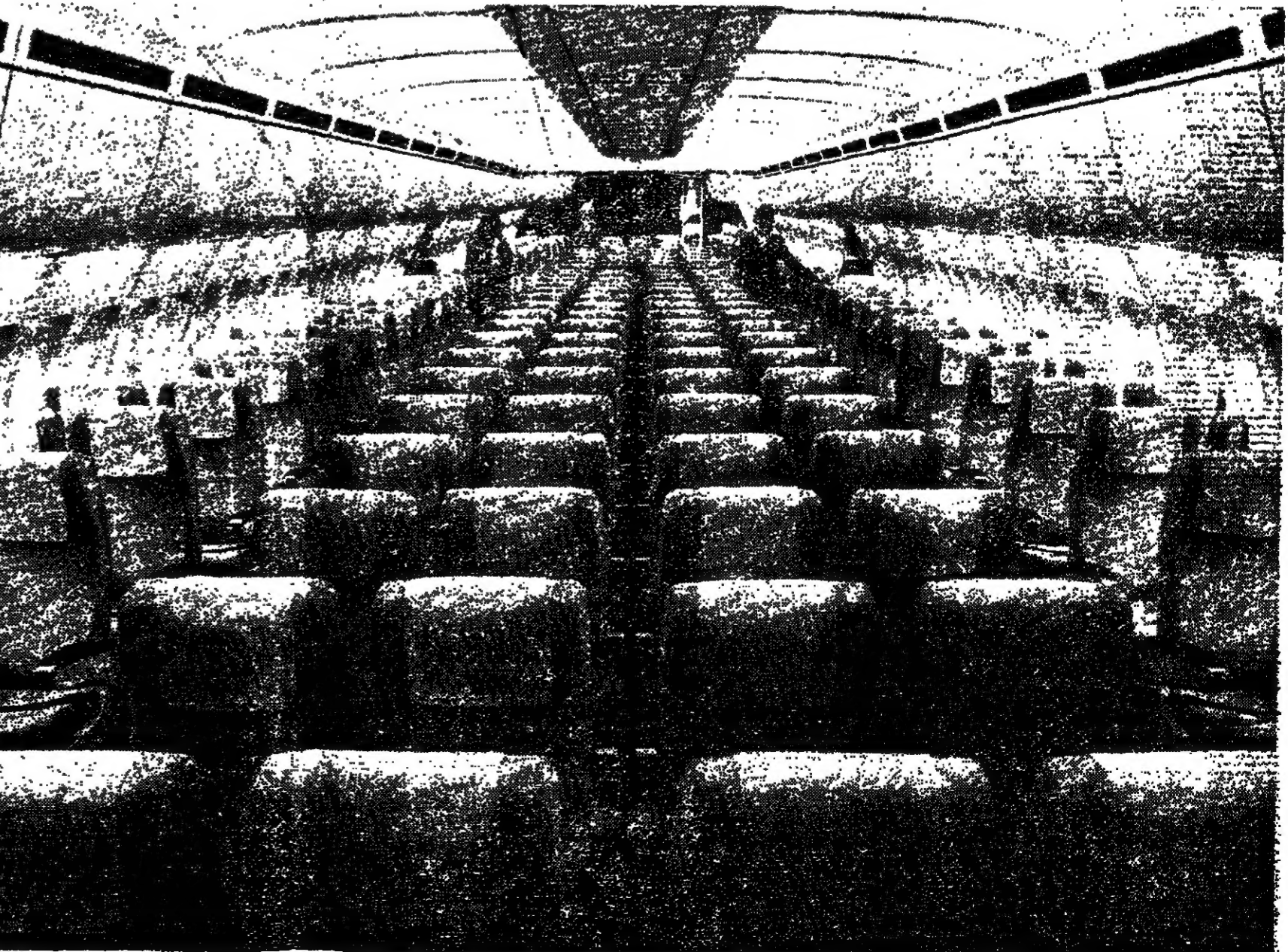
Wali Khan is bemused by Naseem's startling rise to political fame. She reluctantly abandoned the role of housewife for politics when her husband was imprisoned. Not content with simply keeping the NDP to



Zulfikar Ali Bhutto.

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AMERICAN NEWS

World oil shortage in next two decades is 'unlikely'

WASHINGTON, May 24

Analysts said the DFLP's signature on the document lent it considerable weight. But it was thought unlikely that it would create an immediate danger to Mr. Arafat.

But some commando officials in Beirut said the statement could serve to jolt the 48-year-old commando chief into adopting a political line closer to the Rejection Front.

Led by Dr. Habash's Popular Front for the Liberation of Palestine (PFLP), the Rejection Front embraces three other groups—the Palestine Popular Struggle Front, the Arab Liberation Front and the Palestine Liberation Front.

Beuter

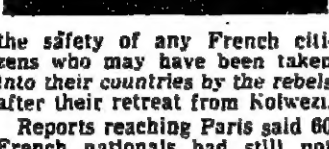
By John Worrall

FOREIGN COMPANY

BY ROBERT MAUTHNER

IES IN SOUTH AFRICA

Reuter adds: Rebels fleeing the fighting in southern Zaire



Staying put, for now

BY BERNARD SIMON IN JOHANNESBURG

pulled out for what might be termed "political" reasons. Midland Bank has stopped loans to the Pretoria government, though it still maintains an office in Johannesburg. And Barclays too last year twisted its local

A Washington-based group, Investor Responsibility Research Center (IRRC), recently reported that U.S. banks were

long as there is no further domestic crisis, such as the Soweto unrest or last October's security clampdown, which would dramatically increase the pressures for withdrawal. With the economy showing the first signs

Japan allows increase in foreign 'swap quota'

By Charles Smith

deposit requirement on foreign-held free yen requirements are believed to be under consideration at the bank. It would appear that BOJ intends to study the effects of the quota increase.

That motion will be introduced.

Fears of Angola intervention

BY OUR OWN CORRESPONDENT

Schmidt s

starts U.S.

Canadian \$ row widens

BY VICTOR MACKIE

introduce a motion to have the allegations made by Mr. Steven referred to the Commons' Committee on Privileges and Elections.

The mines straddle the Quebec-Labrador border and the struggle over health and safety issues, plus wages, has affected four mining companies and a total of about 10,000 workers.

Schmidt starts U.S. visit today

BY JONATHAN CARR

He is expected to meet President Carter for talks covering economic matters in preparation for the western economic summit next week.

of a stronger leadership from the U.S., but his public criticism has been aimed at Congress and some business circles for blocking initiatives b

Blumenthal says change in \$ role 'no solution'

"In fact, there was not a lot of shifting of reserves out of dollars during those months," he said.

Paper industry pay talks under attack

By John Wyles

The employers' offer, said Mr. Bosworth, was "clearly inflationary" as it proposed a three-year contract giving 94

take a more optimistic view of the inflationary outlook by lowering their demands. The Administration's aim is to exert pressure on both sides of industry before they sit down to negotiate, but the

Canadian \$ row widens

BY VICTOR MACKIE

introduce a motion to have the allegations made by Mr. Steven referred to the Commons' Committee on Privileges and Elections.

The mines straddle the Quebec-Labrador border and the struggle over health and safety issues, plus wages, has affected four mining companies and a total of about 10,000 workers.

Charge against Argentina over export to Chile

By Robert Lind

the official decree of May 19 obliging exporters of strategic products to petition the Commerce and International Economic Negotiations Secre-

tarial in the form of a sworn statement giving the characteristics of the products. Ultimately, the Defence Ministry will approve or disapprove the exports.

the Beagle Channel near Cape Horn between Chile and

Argentina still threatens war, notwithstanding the fact that the dispute now is being negotiated by a bi-national committee.

New Bidder for Dymo; General Foods halts profit decline; Doubts over Lykes-LTV deal—
Page 29.

WORLD TRADE NEWS

Japan and UK sign £500m nuclear reprocessing pact

BY DOUGLAS RAMSEY

TWO YEARS after the "nuclear dust" controversy erupted in Britain, Japanese utility companies today signed a 500m agreement for the transport to and reprocessing of spent nuclear fuel in Britain.

Signing the agreement on behalf of the British Nuclear Fuels (BNFL), its chairman, Sir John Hill, called the contract "a significant step forward in international collaboration in atomic energy, particularly collaboration between Japan, France and the UK."

The Japanese utilities, led by Mr. Hiraoka of Tokyo Electric Power Company, concluded a contract of similar size with the French nuclear reprocessing industry last September before BNFL had the final go-ahead from the British Government to proceed with the contract.

In a speech at the offices of the Federation of Electric Power Companies this morning, Sir John said BNFL "greatly regretted not being able to sign these contracts on September 30 when a similar ceremony was held in this room with COGEMA (the French reprocessing company)."

Speaking of the multiple delays caused by the Windscale inquiry, the report by Mr. Justice Parker, and two debates in Parliament, Sir John said they produced "more than a complete vindication of the case that we put for the construction of an oxide reprocessing plant at Windscale."

The reprocessing contracts, first mooted in 1975, are designed to meet Japan's reprocessing needs in the 1980s. The BNFL contract, moreover, will let the British company proceed with construction of a new reprocessing plant in Cumbria.

The thermal oxide reprocessing plant to be built alongside the existing Windscale reprocessing plant will have a capacity of reprocess some 6,000 tonnes over 10 years.

The Japanese contract alone accounts for 1,400 tonnes of reprocessing work and an equivalent amount will be reprocessed by COGEMA in France.

The Japanese contract with BNFL was signed today by Sir John as well as BNFL's managing director, Mr. Con Alday, as well as the president of the nine

private electric power companies and the Japan Atomic Power Company. The reprocessing contract itself is worth about £300m at current prices.

In fact, the contract takes the form of two separate agreements—one on transport, the other on reprocessing. The transport pact is estimated to be worth £200m at present-day prices to the owners of Pacific Nuclear Transport (75 per cent owned by BNFL and the rest by Japanese shareholders).

The shipments of spent fuel include the 1,400 tonnes for BNFL and 1,400 tonnes for COGEMA in France, and deliveries will take place over a nine-year period beginning in 1982.

Sir John suggested today that COGEMA may soon secure a stake in the transport company which at present handles all the spent nuclear fuel from British-built Japanese reactors reprocessed at the Windscale plant.

The fuel will arrive over a nine-year period and once the spent fuel is reprocessed the waste will be turned into glass.

Demand up for Dutch companies

By Charles Batchelor

AMSTERDAM, May 24.

INCOMING ORDERS booked by Dutch companies rose for the second month running in April, with demand from abroad increasing strongly. The results, shown in the latest assessment of business opinion compiled by the Central Statistics Office, mark a reversal of the trend of the first two months of 1978, when businessmen reported declining orders and a slump in exports.

Figures for foreign trade are not yet available for March and April, but the first two months of the year showed a cumulative deficit on visible trade of F1 272m (\$120m).

The upturn in demand was most marked in metal investment goods and metal and chemical consumer goods. Despite the increase in new orders, the index of orders in terms of work yet to be carried out fell to 103 from 104 during the month and was also lower than the 106 figure in April, 1977.

Companies reported more activity during April but forecast little improvement over the next three months to the end of July.

Holland plans to extend aid to Dutch shipowners for a further two years when the present scheme expires on July 1. The Government will provide a 15 per cent investment subsidy on new vessels and a special investment premium of 5.5 per cent, spread over five years, the Ministers of Transport and Economic and Social Affairs said.

New foreign currency finance deal for Hong Kong railway

BY MARGARET HUGHES

LAZARD BROTHERS and Schroders and Chartered Hong Kong have concluded the first foreign currency buyer-credit deal which is denominated in the currency of the buyer and is supported by the Export Credits Guarantee Department.

This means that on current rates ECGD, far from having to provide an interest rate subsidy, the difference between fixed export credit rates and market rates—will actually make a profit on the interest rate differential.

In addition ECGD has no responsibility for taking over this loan at any stage as lender of last resort should the lending bank be unable to provide the full financing—a commitment which it would have to meet were the loan financed in U.S. dollars or P-Marks.

These two factors are understood to have been key elements in getting ECGD to guarantee a loan in the domestic currency of the buyer.

A bridging facility of U.S.\$25m is being provided to the MTRC by Standard Chartered Bank, giving added flexibility in funding the buyer credit.

The deal is being financed in Hong Kong dollars because the borrower, the MTRC, was anxious that this and as many other contracts as possible for further stages of the project be financed in local currency—the same currency as its eventual income—to eliminate the exchange risk.

when it acted as adviser to the Department of Industry for the Kowloon Electricity Supply Company power contract awarded to GEC and Babcock and Wilcox.

In the event this contract was ultimately financed in U.S. dollars with Schroders as bankers, the Kowloon Electricity Supply Company arranging the \$390m export credit financing.

On the current agreement, Hong Kong dollars will be converted by the MTRC into U.S. dollars which will then be paid to the contractor, which will have sold them forward for sterling.

As a result of meetings in Hong Kong last October Lazard was selected as the bank which was to arrange the finance for any future UK export finance business related to the mass transit system.

The loan will finance an extension of a contract awarded to Metro Cammell for the supply of 150 rail cars for the second stage of the mass transit project. The company has already supplied 140 cars and the MTRC has now exercised its option on a further 70. A separate contract for the supply of 150 rail cars for the second stage of the mass transit project will be put to international tender within the next few months.

an international aid consortium has granted Indonesia \$2.5bn to finance development projects over the next 12 months, AP-DJ reports from Amsterdam.

The Inter-Governmental Group on Indonesia (IGGI), comprising 13 donor nations including the U.S., also the World Bank, International Monetary Fund and Asia Development Bank, announced the allocation at its annual meeting in Amsterdam.

UK £1m contracts Aurora Holdings subsidiaries have won three orders to supply equipment with a total of about £1m for the new Acominas steel mill in Brazil, through Davy International group companies, a Financial Times Reporter writes. They include billet and bloom grinding and inspection equipment, blast furnace parts and lifting magnets.

Kenya ship handover Kenya today handed over to Tanzania three lake ships, part of the assets of East African Railways Corporation, which broke up on the collapse of the East African Community. John Worrall writes from Nairobi. It is regarded as a hopeful sign that Tanzania may soon reopen its border with Kenya.

Polish \$300m credit Italian Foreign Trade Minister Rinaldo Ossola has signed an agreement with his Polish counterpart Jerzy Olaszewski for a \$300m loan over five years to Poland to buy Italian machinery and equipment. Reuter reports from Warsaw. It brought the total of credits from Italy to Poland over the past four years to \$1.2bn.

Toshiba generators Toshiba has won a ¥22bn order from New South Wales Electricity Commission of Australia for two 680,000-kilowatt steam turbine generators. Reuter reports from Tokyo.

WORLD TEXTILES

In search of guidance

BY RHYS DAVID

TO STAGE an international conference on textiles at present is a brave move, as the British Textile Confederation may soon find out. For while protectionist measures in all industries, not least textiles, are growing, today's gathering at Heathrow, where representatives of the Hong Kong and Indian industries will confront their Western European counterparts and importers from Britain and the Continent meet domestic manufacturers, seems as likely to produce hostile glances as renewed co-operation.

The world textile industry, however, is in considerable uncertainty and for many of the delegates the conference fee will have been well spent if Viscount Davignon, the European Industry Commissioner, or any of the other speakers can offer at least some guidance on how the industry will fare over the next few years.

Behind the uncertainty lies weak demand in most parts of the world. Hopes that last year might see the start of a sustained growth in consumer demand for textiles proved again too optimistic.

But, for the European representatives in particular, two other key issues are also likely to figure during the two days of discussions: the degree of determination with which the EEC will be prepared to maintain the tight agreements

reached with supplier countries in the recent GATT Multi Fibre Arrangement (MFA); and the chances of securing within Europe a co-ordinated industrial policy for textiles to accompany the commercial policy enshrined in the MFA.

On the first of those, the optimism expressed at the turn of the year after the MFA agreements has given way to renewed nervousness over the Commission's attitude, and Viscount Davignon is likely to be pressed strongly for assurances.

The main cause for concern remains the position of the EEC's Mediterranean associates: in particular Spain, Portugal, Greece and Turkey, all of which are substantially involved in textile production.

Because of their associate status, those countries were excluded from the MFA agreements but were asked instead to agree voluntarily to restrict imports to the EEC. All have been reluctant to give undertakings, and a big concession to Portugal appears to have been given by the Commission.

The industry in Europe is anxious to clear up weaknesses quickly, as it is under pressure from the commission to draw up an industrial policy for textiles, or face having its future decided for it in Brussels.

The MFA agreements were seen essentially by the European

Commission and the member Governments as offering textiles a breathing space to re-organise for much tougher international competition, and the industry can clearly expect little sympathy when the present agreement is re-negotiated in 1981 if its structure and difficulties remain much the same.

The commission has made known that it would like to see changes, and in two sectors, fibres and dyes, action is proposed or being considered. In fibres, where massive losses have been accumulating as a result of overcapacity, producers are expected shortly to agree to reduce capacity, if the commission's competition directorate agrees. In dyes, the producers are shortly to begin an inquiry into ways of dealing with over-production.

Action in both sectors has been precipitated, however, by severe difficulties, and elsewhere, where obstacles have been smaller, it may be harder to achieve co-ordinated action. One big stumbling-block continues to be the reluctance of the German industry to countenance measures that appear to imply any attempt to interfere with free market forces.

A request is believed to have been made for Community financial support for that so that in planning ahead the industry in the Community will at least start with as much information on production, market size and total imports as its counterparts in unified markets such as the U.S. or Japan.

The crucial issue, however, is how far the Commission should become involved in helping individual sectors to draw up strategies and the extent to which it should try to encourage certain patterns of development. The current idea being floated is the somewhat weaker one that the Community should help to finance analyses of prospects for sectors, but those would act only as guidelines.

It is an approach that may be considered rather timid, given the urgency with which the industry has been pressing for a period of stability for the chief task of rationalising its structure.

Whether Viscount Davignon thinks so too may become apparent today.

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PUBLIC STATUTORY BODY
HEAD OFFICE: ROME - VIA QUINTINO SELLA, 2
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MILAN - CORSO EUROPA, 12
NAPLES - VIA MEDINA, 40

BALANCE SHEET AT 31 DECEMBER 1977 (in millions of lire)

ASSETS	
Loans	16,263,742
Securities	41,087
Current Accounts with Treasury, Bank of Italy and other Banks	2,044,270
Accounts with Credit Institutions	17,697
Sundry Credits	735,941
Unamortized Bond Discount	255,323
Other Assets	9,588
	19,367,648
LIABILITIES	
Capital	15,300
Reserve Funds	25,956
Special Contingency Fund	420,630
Bonds	17,608,779
Matured Bonds and Accrued Interest	1,043,949
Loans in course of Disbursement	42,329
Accounts with Credit Institutions	58
Sundry Debts	128,390
Other Liabilities	77,743
Profit	4,514
	19,367,648

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CHLORIDE
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HOME NEWS

Swan Hunter wins work on cruiser

BY MICHAEL DONNE AND LYNTON McLAIR

SWAN HUNTER, of Wallsend-on-Tyne, has been given a limited pre-production planning contract for the third of the Navy's new class of anti-submarine cruiser, together with authorisation to procure long lead-time equipment for the vessel.

But the Ministry of Defence, announcing this serious blow to the shipyard, said it was not yet ready to commit itself to finally granting Swan Hunter the full contract for building the ship, estimated to amount to at least £130m.

The Ministry said it planned to open contract negotiations soon and subject to satisfactory agreement, hoped to place the order early next year.

But it also made it clear that most of the work to be done under the present contract could be used by another shipbuilder if it were decided not to give the order to Swan Hunter.

Swan Hunter has every reason to want this latest order. The yard suffered a serious blow when Mr. Michael Casey, chief executive of British Shipbuilders, reallocated the group's share of the order for ships for Poland, when workers at the yard failed to agree to work normally on the contract.

But yesterday's announcement falls far short of acknowledging that the Government is fully satisfied about future working at the yard.

If Swan Hunter wins the full order it would provide 3,000 jobs for six years.

Swan Hunter said that the order placed with it included: preparing a programme and planning the construction of the ship and ordering steel and other long-lead items.

Mr. G. E. Steel, chief executive of the company, said: "We are naturally delighted to receive this involvement contract for which we and British Shipbuilders have been negotiating for some time."

"While it does not guarantee

R-R engines

The first anti-submarine cruiser, *Invincible*, is being built at Barrow-in-Furness by Vickers. It was ordered in 1973, and was launched last year. It is due to join the fleet by about 1980. The second ship, *Illustrious*, will join the fleet in the early 1980s.

Each vessel is 16,000 tons, is powered by Rolls-Royce gas turbine engines and is equipped with the latest communications and navigation aids. The ships are designed to use Sea King anti-submarine warfare helicopters and Sea Harrier vertical take-off jet aircraft and also will carry the Sea-Dart air-defence missile system.

The name of the ship planned is not settled but it is generally believed that it will be called the *Indomitable*.

While the initial construction cost is expected to be about £130m, the provision of complex radar and other electronic gear is likely to raise the total cost of the in-service vessel to about £200m.

Accountants oppose U.S. inspection

BY MICHAEL LAFERTY

BRITAIN'S leading accounting firms may soon be forced to subject their audit procedures to independent reviews because of pressure from the U.S. Securities and Exchange Commission.

Significant proportion of UK audit business relates to subsidiaries of U.S. companies subject to the SEC's jurisdiction.

Recent Congressional and SEC moves in the U.S. have forced major American accounting firms to agree to so-called peer reviews.

This means that every U.S. accounting firm with an SEC-registered client must submit its quality control procedures to an independent review by independent accountants. Touche Ross, for example, has been reviewed by Price Waterhouse.

The SEC wants to extend the system to all the foreign associated offices of the U.S. auditors — where these are involved in the audit of a particular U.S. company.

The possibility of this happening has been discussed within the profession for some time, but the SEC's thrust stepped up pressure for action. Arthur Young, chairman, Mr. Harold Williams, addressed council members of

the American Institute of Certified Accountants.

The chief accountants section of the SEC said yesterday that the agency was urging the foreign auditors to agree to peer reviews as quickly as possible. He hoped that some of these would have been done by 1979.

The SEC move has met strong opposition from the major UK firms.

Mr. David Roe Smith, senior partner of Deloitte, Haskins and Sells, doubted yesterday whether the SEC's writ should run in the UK.

"I question the whole validity of the peer review concept," he said.

Similar sentiments were expressed by Mr. John Grenside, senior partner of Peat Marwick Mitchell, as well as senior partners from Price Waterhouse and Coopers and Lybrand.

It is probable that no more than 20 per cent of these firms' audit fees come from U.S. work.

However, two other large British firms with a larger proportion of U.S. work — Touche Ross and Arthur Young — appear less opposed to the idea, at least in principle.

Man-made fibres industry recovers

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITAIN'S man-made fibre industry made a substantial recovery in the first quarter of this year, with production and deliveries in March reaching their highest level for four years.

The improvement, taking total output for the quarter to 150,000 tonnes, represents a 30 per cent increase on the fourth quarter of 1977.

It seems possible that there was some under-reporting at the end of last year which has now found its way into the latest statistics.

The figures, nevertheless, appear to offer additional evidence of some strengthening in the UK textile market, where consumer spending on clothing has been running ahead of total consumer expenditure for some time.

The industry has also been doing well in exports, which accounted for 43 per cent of all deliveries in the first three months of 1978.

UK retailers have expressed optimism recently that the

stronger buying trend will continue, helped by wage increases, tax reductions, and falling inflation, which have led to higher living standards.

The latest Confederation of British Industry National Economic Development Office survey on textiles and clothing showed that more companies expected higher sales, following a period in which sales in some sectors have been running ahead of forecasts.

Leading UK fibre groups are more optimistic than for some time that this higher level of demand could form the basis for continued recovery in fibre sales.

The main increase in fibre output during the first quarter was in staple — up from 82,090 tonnes in the quarter of 1977 to 90,500 tonnes. Production of filament yarn rose from 53,050 tonnes in the final quarter of 1977 to 60,570 tonnes.

Although a substantial improvement at 150,000 tonnes in the first quarter output by the UK fibre industry is still below 1975 levels, when quarterly production was more than 180,000 tonnes.

Strong case for BR mass electrification

BY LYNTON McLAIR, INDUSTRIAL STAFF

LARGE-SCALE electrification of British Rail's main lines could create jobs and save 700,000 tonnes of fuel oil each year, according to a discussion paper presented yesterday by Mr. William Rodgers, Transport Secretary.

The paper, which outlines the case for large-scale electrification, will be considered by a working party from the Trans-

port Department and the British Railways Board under the joint chairmanship of Mr. David Birtwick, a BR vice-chairman, and Mr. John Palmer, Under-Secretary for Railways in the department.

The document says early electrification would help ease Britain's present and future surplus of generating capacity. Electrification on a wide-scale would create jobs in industry,

that we will obtain the contract to build the ship. It is a significant step forward in that direction, and I trust we can justify the confidence placed in us and secure the construction contract."

Mention was not made yesterday of a timetable for building the ship, but work could start on the hull within months — if Swan Hunter is given the full go-ahead.

Mr. Casey said that he had agreed that the contract should go to the Tyne. He would not have done so if he did not believe the undertakings on normal working that he had been given by the workforce.

He intended to see that the Tyne delivered the best job on time. The existing through-deck cruiser, *Illustrious*, which had been under construction for 24 months, was on schedule.

Swan Hunter has every reason to want this latest order. The yard suffered a serious blow when Mr. Michael Casey, chief executive of British Shipbuilders, reallocated the group's share of the order for ships for Poland, when workers at the yard failed to agree to work normally on the contract.

But yesterday's announcement falls far short of acknowledging that the Government is fully satisfied about future working at the yard.

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Mr. G. E. Steel, chief executive of the company, said: "We are naturally delighted to receive this involvement contract for which we and British Shipbuilders have been negotiating for some time."

"While it does not guarantee

AA plans £7.5m spending

THE Automobile Association will spend more than £7.5m this year improving its road services and safety car rescue. Professor Esmond Wright, honorary treasurer, told the annual meeting in London yesterday that operating profit in 1977 had been £1.27m, with further below-the-line capital profits of £448,425, making a total of £1,718,425 for transfer to the capital fund.

Net assets had increased by about £5.5m, to £33.75m. More than £3m of the increase was investment in premises, vehicles and equipment for the road service. He was greatly encouraged by the increase of 18 per cent in the turnover of commercial services. The AA would continue to monitor the results of those additional services.

Cadbury sells

Preston Candover, in the Candover Valley — consisting of a Queen Anne house and farm-house, 12 cottages, a flat and about 4,000 acres including an airstrip — is to be put on the market by Mr. Peter Cadbury, Knight Frank and Rutley, agents, expect more than £2m, to be realised.

Mr. Cadbury is executive chairman of Westward TV, a director of ITV News and chairman of Alfred Hays.

Health cover

About 4 per cent of Britain's population is covered by some form of medical insurance and is making increasing use of that cover to opt out of the National Health Service and seek private treatment. Lee Donald Associates said in an annual survey.

Fares cut

New, lower fares between London and European capitals were announced by British Rail. Example: to Paris, the fare range is from £12 single and £18.50 for a three-day return during off-peak periods to a standard £18.50 single and £27 return valid two months during the peak July to September.

Coal record

Miners at Sherwood, near Mansfield, North, produced 27,461 tonnes of coal in five days — a record from a single face in a British mine.

Show sell-out

Every stand has been booked at the first London business equipment exhibition, to be held at the Cunard International Hotel from October 24 to 27.

Jobless plea

The Government should consider a national scheme of work experience, coupled with some kind of industrial training, to alleviate unemployment. Mr. Hervey Stuart Black, chairman of General Accident, Fire and Life Assurance Corporation said at his company's annual meeting in Perth.

New oil service

A new company — Redwood Correx Services — based at Aberdeen will provide a wide range of engineering analytical services for groups exploring for oil and gas in UK waters.

COLINA MACDOUGALL JOINS CHINESE MISSION'S VISIT TO SCUNTHORPE

Comradely praise for British Steel

MR. TANG KE, China's Metallurgy Industry Minister, yesterday praised the results of British Steel's efforts to improve capacity by enhancing old plant. He spoke after touring the Normandy Park rolling mill at Scunthorpe.

Old equipment from the Red-bourne works was used with sophisticated automation to set up a highly productive plant costing only £40m.

Mr. Tang and his mission are on a two-week tour of British Steel plants.

Mr. Tang also referred to his interest in the experimental formed coke plant, which uses non-coking coal to produce briquettes which can be used effectively in steelmaking. Another member said that the mission's main interests throughout its British trip had been in the formed coke process, pipeline charging of coke ovens and the Bell-less top system of blast furnaces.

Mr. Tang said that China's main problems in the steel industry were on the mining side and in modernising steel making. It would be necessary to expand steelmaking by building

new plant and expanding others. He confirmed that a deal with Japan is already under way for the supply of a 6m-ton steel complex near Shanghai, due to be completed within three years.

This will be supplied initially with Australian iron ore. The rest of the industry's expansion would be built mainly on existing steelmaking sites, partly by judicious buying of foreign equipment.

The mission included Mr. Ma Pin, a vice-minister of the metallurgical industry, who is also the general manager of China's largest steel plant at Anshan, which has an estimated 6m-ton annual output.

Anshan — started originally by the Japanese in the 1930s because it is near sources of iron ore and coal, and supplemented with Soviet equipment in the 1950s — seems a prime customer for imported equipment.

China's second largest steel complex, at Shanghai, with an estimated output of more than 4m tons, will benefit from the projected Japanese plant which will supply billets and blooms to

the city's finishing industry. The mission also included a vice-minister of the state capital construction commission, four vice-ministers of the metallurgical industry, the managing director of the Taiyuan steel plant, and senior officials from the planning commission and the Chinese Society of Metals.

Mr. Tang is only the second Chinese of full ministerial rank to visit Britain in recent years, and his presence, and that of so many other high-ranking delegates, shows the importance Peking attaches to the trip.

Pooled views

The mission has so far visited British Steelworks at Ravenscraig, Sheffield, Wales and Teesside, as well as several Sheffield private manufacturers.

The mission arrived in Britain from Austria where it had visited steelworks at Linz. China bought basic oxygen furnaces from the Austrian firm of Voest in the mid-60s.

The mission will later visit France, West Germany and

Holland, so no decisions or purchases can be expected yet.

The other major Chinese delegation at present in Britain, led by Mr. Ku Ming, vice-minister in charge of the state capital construction commission, visited the British Steelworks at Redcar last Saturday and goes to France at the end of the week.

Some pooling of views will obviously have to take place once the missions return to Peking.

Much note-taking was in evidence among the Chinese during their day at Scunthorpe, both at the former coke plant and at the new Dawes Lane coke oven complex.

These coke ovens are a new generation of equipment, using pipeline charging. One delegation member commented that China already operated a system of coke forming, though the process was different, using a fluidised bed instead of shafts for calcining.

Scunthorpe was chosen for the Chinese as the most modern British Steelworks. The itinerary was decided in consultation with the Chinese Embassy and the British Steelworks. The delegation expressed some parti-

cular wishes about what it would like to see.

The plants chosen were of special interest because of the high level of automation involved and the group was clearly fascinated by the display panel in the control room at the Dawes Lane coke ovens.

One member of the present mission and other Chinese officials have been to the plant before. The Chinese obviously feel they have something to learn from it.

In a discussion on the financing of purchases from abroad, during the visit, one delegate drew attention to the fact that, at the last Canton Fair, an official, Mr. Chia Shih, had said that China would now be prepared to accept project-related deposits made with the Bank of China.

Hitherto, the only forms of borrowing the Chinese would accept were deposits on the London inter-bank market or deferred payments in the form of supplier credits.

A more flexible policy on borrowing would make it much easier to make capital equipment to the Chinese.

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Much note-taking was in evidence among the Chinese during their day at Scunthorpe, both at the former coke plant and at the new Dawes Lane coke oven complex.

These coke ovens are a new generation of equipment, using pipeline charging. One delegation member commented that China already operated a system of coke forming, though the process was different, using a fluidised bed instead of shafts for calcining.

Scunthorpe was chosen for the Chinese as the most modern British Steelworks. The itinerary was decided in consultation with the Chinese Embassy and the British Steelworks. The delegation expressed some parti-

cular wishes about what it would like to see.

The plants chosen were of special interest because of the high level of automation involved and the group was clearly fascinated by the display panel in the control room at the Dawes Lane coke ovens.

One member of the present mission and other Chinese officials have been to the plant before. The Chinese obviously feel they have something to learn from it.

In a discussion on the financing of purchases from abroad, during the visit, one delegate drew attention to the fact that, at the last Canton Fair, an official, Mr. Chia Shih, had said that China would now be prepared to accept project-related deposits made with the Bank of China.

Hitherto, the only forms of borrowing the Chinese would accept were deposits on the London inter-bank market or deferred payments in the form of supplier credits.

A more flexible policy on borrowing would make it much easier to make capital equipment to the Chinese.

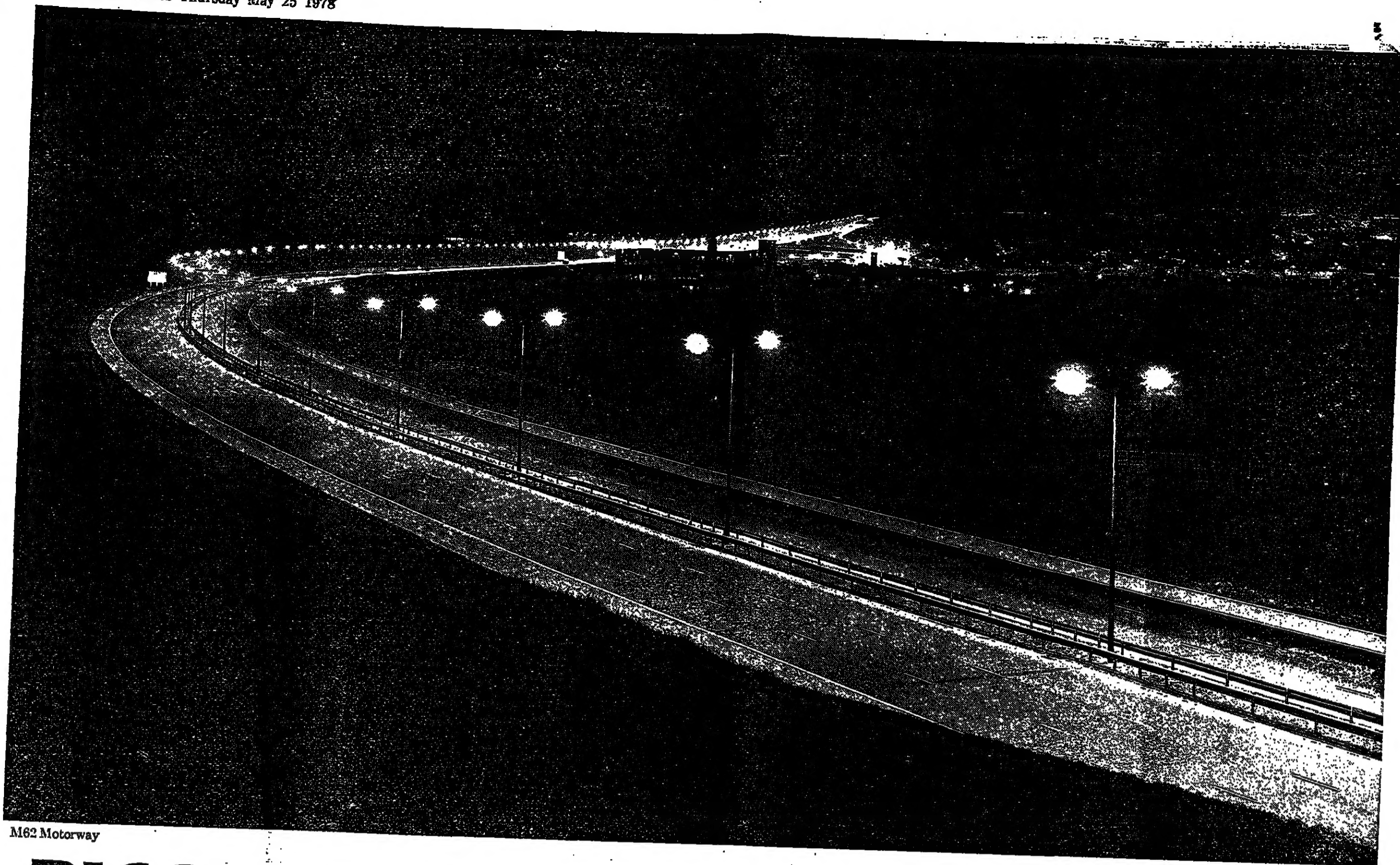
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M62 Motorway

BICC-people who make things work on road and rail

Painting serene landscapes at his home in Sale, Paul Gillitt does not convey the impression of a man of action, a man to whom most of the drivers in the North West owe a debt of gratitude. For as a BICC projects manager, he has been responsible for the majority of motorway lighting throughout the North West.

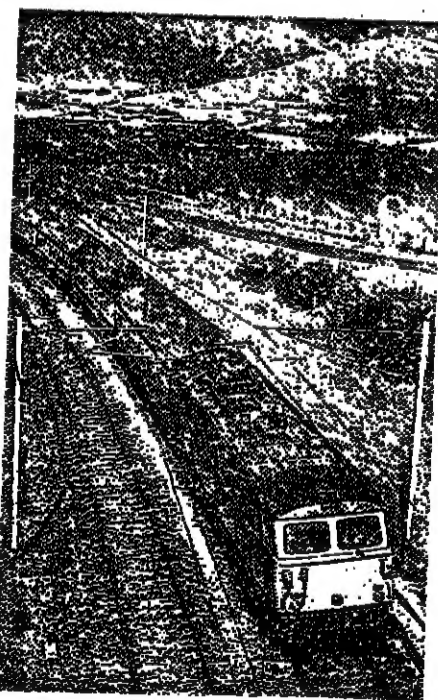
No job remains in his memory more vividly than the M62, where, high on the Pennines, at Milnrow, Paul and his team faced the most adverse weather conditions, particularly, near-zero visibility and gales so strong that men working on the high lighting columns had to be strapped to their platforms.

Little wonder Paul relaxes so completely when he can. Paul is one of 54,000 people working for BICC worldwide — people who make things work.

Steven Pont is another.

Immediately after joining BICC Steven became involved in the earliest stages of electrification of the London to Glasgow railway line — the first to be electrified at 25kV AC and the longest length of overhead electrified line, in this country.

Steven next moved to India where he was involved in no less than two thirds of the electrification of the country's railway system, carried out by BICC. Before he left, his responsibility included all electrification contracts on the sub-continent.



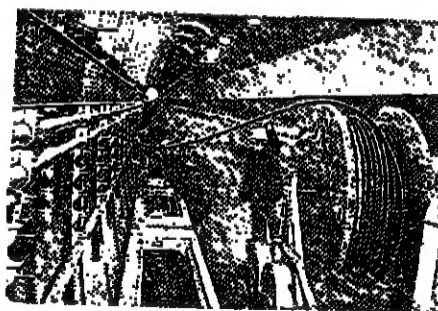
London to Glasgow Inter-City Express: Travel between the two centres is possible in just five hours thanks to BICC's overhead railway electrification.

Since returning from India, Steven has controlled railway traction projects in a number of countries, including S. Africa, where he was instrumental in setting up the country's first AC traction system.

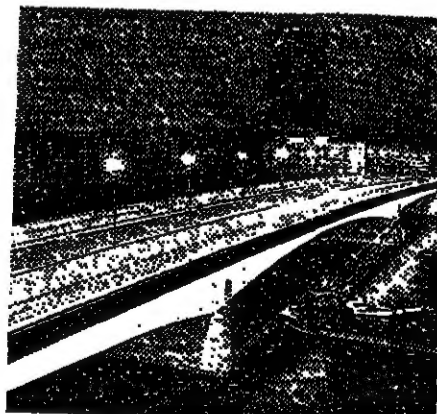
Steven still maintains his old ties with India through his pastime — rowing. Ex-president of the Calcutta rowing club, he competed this year in the annual Curry Cup race between the Old Calcuttians and Old Singaporeans.

The building of motorways, bridges, interchanges and tunnels; electrification of mainline inter-city rail routes; and improved lighting, communication and signalling facilities for both road and rail — BICC people do all these things.

BICC help more people travel more often to more places more quickly — and a great deal more safely.



Liverpool's new 7,360 ft. tunnel under the Mersey relies on BICC cable servicing the various complex systems that ensure the smooth flow of traffic.



BICC mineral-insulated road heating cables prevent snow and ice causing traffic hazards on the new £5½ million London Bridge.

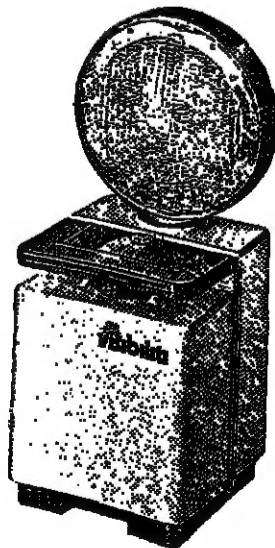
communications technology; with a major stake in civil engineering and contracting through Balfour Beatty, a BICC company; possessed of hard-won skills in tunnel design and construction, and railway electrification; with specialist expertise in industrial plastics, electrical accessories, capacitors, printing plates...

One thing makes it all work. One thing makes BICC a stable, successful growing company that competes successfully in so many different markets.

The quality of its people. Highly trained people committed to getting things done — better than before — for the benefit of all of us.

This booklet tells something of the range of skills of BICC and its people, something of their achievement, and indicates a great deal about their promise for the future.

For a free copy, write to:
BICC Limited
Group Head Office
21 Bloomsbury Street
London WC1B 3QN
Telephone: 01-637 1300
Telex: 23463 & 28624
Telegraphic address:
Bicalbest London WC1



Other BICC people help to ensure the safety of people like Paul Gillitt and his team by manufacturing a range of road hazard warning lamps to alert oncoming traffic of the road work in progress.



Paul Gillitt

The BICC Group is diverse: one of the world's foremost cable manufacturers and designers; but also deeply involved in the refining and fabrication of metals; heavily committed to research and development in new



Makes it work

HOME NEWS

Continental Oil International Finance Corporation

9½% Guaranteed Debentures Due 1985 Issued under Indenture dated as of July 1, 1970

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$3,750,000 principal amount of the above described Debentures have been selected for redemption on July 1, 1978, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

DEBENTURES OF \$1,000 EACH

26-5	1058	2086	4038	5019	6018	6978	7921	8929	9972	10989	11986	12941	13954	14938	15935	16920	17927	18926	19927	20928	21921	22918	23927	24926	25925	26924	27923	28922	29921	30920	31919	32918	33917	34916	35915	36914	37913	38912	39911	40910	41909	42908	43907	44906	45905	46904	47903	48902	49901	50900	51899	52898	53897	54896	55895	56894	57893	58892	59891	60890	61889	62888	63887	64886	65885	66884	67883	68882	69881	70880	71879	72878	73877	74876	75875	76874	77873	78872	79871	80870	81869	82868	83867	84866	85865	86864	87863	88862	89861	90860	91859	92858	93857	94856	95855	96854	97853	98852	99851	100850	101849	102848	103847	104846	105845	106844	107843	108842	109841	110840	111839	112838	113837	114836	115835	116834	117833	118832	119831	120830	121829	122828	123827	124826	125825	126824	127823	128822	129821	130820	131819	132818	133817	134816	135815	136814	137813	138812	139811	140810	141809	142808	143807	144806	145805	146804	147803	148802	149801	150800	151799	152798	153797	154796	155795	156794	157793	158792	159791	160790	161789	162788	163787	164786	165785	166784	167783	168782	169781	170780	171779	172778	173777	174776	175775	176774	177773	178772	179771	180770	181769	182768	183767	184766	185765	186764	187763	188762	189761	190760	191759	192758	193757	194756	195755	196754	197753	198752	199751	200750	201749	202748	203747	204746	205745	206744	207743	208742	209741	210740	211739	212738	213737	214736	215735	216734	217733	218732	219731	220730	221729	222728	223727	224726	225725	226724	227723	228722	229721	230720	231719	232718	233717	234716	235715	236714	237713	238712	239711	240710	241709	242708	243707	244706	245705	246704	247703	248702	249701	250700	251699	252698	253697	254696	255695	256694	257693	258692	259691	260690	261689	262688	263687	264686	265685	266684	267683	268682	269681	270680	271679	272678	273677	274676	275675	276674	277673	278672	279671	280670	281669	282668	283667	284666	285665	286664	287663	288662	289661	290660	291659	292658	293657	294656	295655	296654	297653	298652	299651	300650	301649	302648	303647	304646	305645	306644	307643	308642	309641	310640	311639	312638	313637	314636	315635	316634	317633	318632	319631	320630	321629	322628	323627	324626	325625	326624	327623	328622	329621	330620	331619	332618	333617	334616	335615	336614	337613	338612	339611	340610	341609	342608	343607	344606	345605	346604	347603	348602	349601	350600	351599	352598	353597	354596	355595	356594	357593	358592	359591	360590	361589	362588	363587	364586	365585	366584	367583	368582	369581	370580	371579	372578	373577	374576	375575	376574	377573	378572	379571	380570	381569	382568	383567	384566	385565	386564	387563	388562	389561	390560	391559	392558	393557	394556	395555	396554	397553	398552	399551	400550	401549	402548	403547	404546	405545	406544	407543	408542	409541	410540	411539	412538	413537	414536	415535	416534	417533	418532	419531	420530	421529	422528	423527	424526	425525	426524	427523	428522	429521	430520	431519	432518	433517	434516	435515	436514	437513	438512	439511	440510	441509	442508	443507	444506	445505	446504	447503	448502	449501	450500	451499	452498	453497	454496	455495	456494	457493	458492	459491	460490	461489	462488	463487	464486	465485	466484	467483	468482	469481	470480	471479	472478	473477	474476	475475	476474	477473	478472	479471	480470	481469	482468	483467	484466	485465	486464	487463	488462	489461	490460	491459	492458	493457	494456	495455	496454	497453	498452	499451	500450	501449	502448	503447	504446	505445	506444	507443	508442	509441	510440	511439	512438	513437	514436	515435	516434	517433	518432	519431	520430	521429	522428	523427	524426	525425	526424	527423	528422	529421	530420	531419	532418	533417	534416	535415	536414	537413	538412	539411	540410	541409	542408	543407	544406	545405	546404	547403	548402	549401	550400	551399	552398	553397	554396	555395	556394	557393	558392	559391	560390	561389	562388	563387	564386	565385	566384	567383	568382	569381	570380	571379	572378	573377	574376	575375	576374	577373	578372	579371	580370	581369	582368	583367	584366	585365	586364	587363	588362	589361	590360	591359	592358	593357	594356	595355	596354	597353	598352	599351	600350	601349	602348	603347	604346	605345	606344	607343	608342	609341	610340	611339	612338	613337	614336	615335	616334	617333	618332	619331	620330	621329	622328	623327	624326	625325	626324	627323	628322	629321	630320	631319	632318	633317	634316	635315	636314	637313	638312	639311	640310	641309	642308	643307	644306	645305	646304	647303	648302	649301	650300	651299	652298	653297	654296	655295	656294	657293	658292	659291	660290	661289	662288	663287	664286	665285	666284	667283	668282	669281	670280	671279	672278	673277	674276	675275	676274	677273	678272	679271	680270	681269	682268	683267	684266	685265	686264	687263	688262	689261	690260	691259	692258	693257	694256	695255	696254	697253	698252	699251	700250	701249	702248	703247	704246	705245	706244	707243	708242	709241	710240	711239	712238	713237	714236	715235	716234	717233	718232	719231	720230	721229	722228	723227	724226	725225	726224	727223	728222	729221	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HOME NEWS

REPORT ON DISTRIBUTION OF INCOME AND WEALTH

Diamond Commission explains how old people fall into the poverty trap

THE LATEST REPORT published by the Royal Commission on the Distribution of Income and Wealth highlights the large numbers of old people who fall into the lower income groups in Britain and underlines a number of important issues associated with lower incomes.

It draws particular attention to the issue of the so-called Poverty Trap, pointing out that this arises as a result of the establishment of support levels below which incomes are not allowed to fall.

"People out of work who take up part-time work or full-time work with low earnings may find that their family incomes are little, if at all, increased as benefits are progressively withdrawn," it says.

The report notes the role played by collective bargaining in helping to raise relative earnings, and suggests that lack of collective bargaining arrangements was in general "an important factor explaining the low earnings of certain groups of workers."

Not claimed

The commission, headed by Lord Diamond, also notes the considerable extent to which people fail to draw benefits to which they are entitled. In 1975 some 930,000 families who were eligible for supplementary benefits failed to claim it. The average amount of weekly benefit unclaimed was about £5 for the families affected, and take-up was about 75 per cent on average for supplementary benefit and for family income supplement.

The report reviews the recent controversy about the complex interplay of family background, early environment and education which "raise basic issues of human behaviour going far wider than incomes."

It concludes with the observation: "It has long been accepted that the community has an obligation to ensure that an adequate safety net exists to protect people from the main accidents of life; it follows that the greater the part played by genetic endowment or inherited social and economic disadvantages, the greater is the justification for maintaining the safety net so as to provide also against the accident of birth."

In a special addendum, three members of the commission, Mr. George Doughty, Mr. David Lea and Professor Dorothy Wedderburn, while accepting analysis of the report, take a rather stronger line on some of the issues covered. They stress the difficulties of examining the association between low incomes and access to a variety of goods, services and amenities "many of which are regarded by present day society as among the concomitant benefits of citizenship."

Price detriment

The addendum stresses the absence of firm information on "price detriment"—the suggestion that lower income households may pay prices which are as much as 10 per cent higher than other households, thus further reducing their incomes. It underlines that two groups emerge as being especially at risk in terms of lower incomes: the elderly and children. The addendum draws attention to the problems associated with reliance on untested benefits.

"A study of living standards," the addendum says, "would call in serious question the adequacy of such benefits and would reveal, for those on the very lowest incomes, the consequences (through non-take-up) of excessive reliance upon means tests."

The addendum stresses the role of working women and the need to monitor availability of employment for working mothers, and also emphasises the role of collective bargaining in raising security of employment and benefits as well as improving relative wages. It concludes that although the position of those on lower incomes has been markedly stable in the period 1968-76, this does not mean that such stability is inevitable.

The level and distribution of lower incomes are largely determined by interaction between social and economic arrangements, including market forces, which are capable of modification in the course of economic and social development, if society so decides. This would entail "a broad consensus about the desired shape of the total income distribution," and "the resumption of economic growth and a reduction in the level of unemployment."

The report is the sixth published by the Royal Commission, which asked the commission to examine incomes from all sources at the lower levels—say, about the lowest 25 per cent of income recipients—to analyse the present position and past trends in their levels and distribution.

ESTIMATED NUMBER OF WORKING FAMILIES IN BRITAIN IN OR AROUND THE POVERTY TRAP DECEMBER 1972 TO DECEMBER 1975

December each year	Amount of a £1 increase in earnings retained			Working families in the total population
	Negative	0-24p	25-49p	
Families with children (head in full-time employment)				
	000's	000's	000's	000's
1972	[40]	[30]	170	6,490
1973	90		na	6,370
1974	[20]	[30]	250	6,540
1975	50	[40]	200	6,510
Families without children (head in full-time employment)				
1972	na	na	na	na
1973	na	na	na	na
1974	—	[10]	120	10,230
1975	—	—	90	10,220

(Figures in brackets are subject to considerable sampling error)

(Figures in brackets are subject to considerable sampling error)

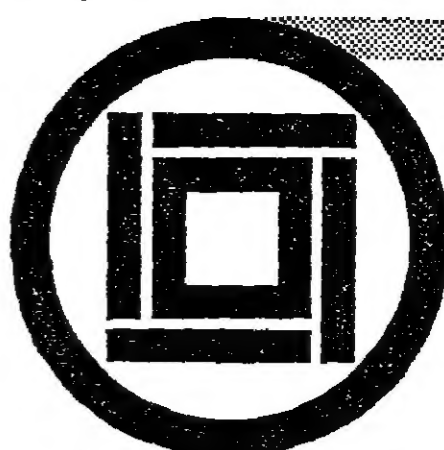
The report concludes by examining the economic and social factors affecting low incomes and finds that economic growth has been a major factor in the improvement of the purchasing power of those with low incomes, which in the past grew in line with GNP. Resumption of economic growth would permit a resumption of growth in lower incomes.

What generally determines whether a family is in the lowest quarter of income recipients is whether it belongs to one of the vulnerable groups and whether it has no breadwinner or only one who has low earnings. This power of those with low incomes largely results from social policy decisions which have taken account of questions of incentive and equity between those in and out of work and as between

different classes of beneficiary. The report adds that the effects of disadvantages in life can be cumulative; there are links between the incidence of low skills, low earnings, sickness, disablement and spells of unemployment, but there is considerable movement by individuals and groups into and out of the lower income category. This contrasts with the marked stability of lower incomes as a whole in relation to other incomes. The interrelations of earnings, benefits and taxes may well have contributed to this stability.

*Royal Commission on the Distribution of Income and Wealth: Report No. 6: Lower Incomes; 403 pages; 50 Cms. 7175.

THE COMMISSION also published a background paper on the causes of poverty, which reports the results of a study commissioned from the Centre for Labour Economics at the London School of Economics. The paper contains a new analysis of the 1975 General Household Survey, with particular emphasis on families on lower incomes.



ISTITUTO DI CREDITO PER LE IMPRESE DI PUBBLICA UTILITA

PUBLIC STATUTORY BODY
HEAD OFFICE: ROME - VIA G. SELLAS
REPRESENTATIVE OFFICES:
MILAN - CORSO EUROPA, 12
NAPLES - VIA MEDINA, 40

BALANCE SHEET AT 31 DECEMBER 1977 (in millions of lire)

ASSETS	
Loans	3,388,988
Securities	2,724
Current Accounts with Treasury, Bank of Italy and other Banks	672,996
Accounts with Credit Institutions	24,284
Sundry Credits	183,984
Unamortized Bond Discount	160,484
Other Assets	10,301
	4,443,761
LIABILITIES	
Capital	21,000
Reserve Funds	18,437
Special Contingency Fund	124,355
Bonds	3,516,824
Loans	298,818
Advances Received	80,714
Loans in course of Disbursement	271,896
Accounts with Credit Institutions	9,844
Sundry Debts	51,167
Other Liabilities	48,424
Profit	4,282
	4,443,761

Don't complain about your phone bill...
Do something about it with new Monitel telephone charge clock
Shows the cost of your call-while you're calling.

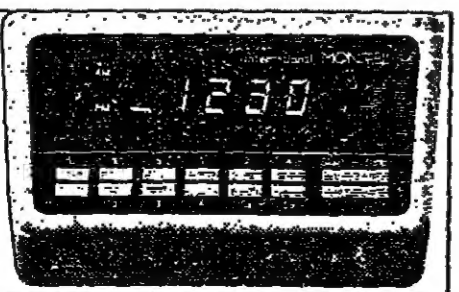


Stickers, posters, new settlers, notice boards - there's one message plastered around most of Britain's offices: please help to keep our phone bills down.

Results? Usually, nil. Phone bills stay unchanged - or drift gradually up. It's not uncooperative staff - it's simply that what you can't see, you can't control. And nobody can see a phone bill mounting up. You can work it out, of course - or can you? When a 2.24p buys you 2.4 seconds talking to New York, can you work out how much 3 1/2 minutes costs? While you're talking! And making notes?

Now Monitel shows you the cost of your call - as it accumulates

The new Monitel telephone charge clock does all your working out for you - and shows you the answer as you go along. The unit is designed to sit under your phone, its styling matches the phone, and it's made in all the standard telephone colours.



Monitel as a desk clock - a large, handsome green display - taking up little more desk space than the telephone which rests on it.

It plugs into any electrical socket. When not in use, it's a handsome, accurate, electronic digital clock.

It's programmed to know the time of day, and the day of the week. It's also programmed to understand Post Office charge bands.

You'll find these charge bands in your Telephone Dialling Codes Book. In mainland Britain, there are three bands: L, A, B. Each of them represents a different call charge rate.

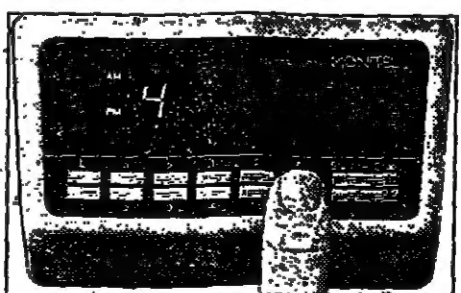
Overseas there are six different bands: 1, 2, 3, 4, 5A, 5B. Again, each band represents a different call charge rate.

So when you make a call, this is what you do. Before you dial, you touch the relevant charge band key. Immediately, the charge band letter or number appears on the display, and the time clock display disappears (although the clock keeps going internally).

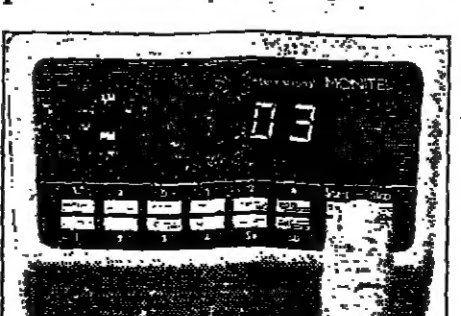
You then dial, and as soon as you're connected, you touch the 'start' key. From that moment, the Monitel shows you the cost of your call as it accumulates.

When your call ends, you touch the 'stop' key, and the digital clock display reappears - but the Monitel charge clock stores the cost until you make your next call. A touch of a key recalls the charge to the display.

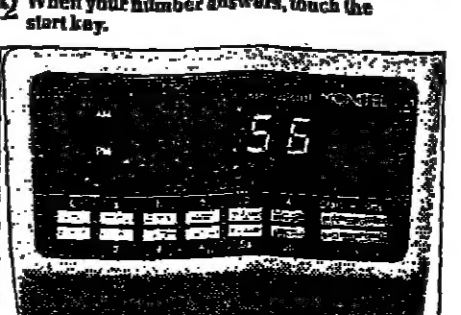
When you make a call...



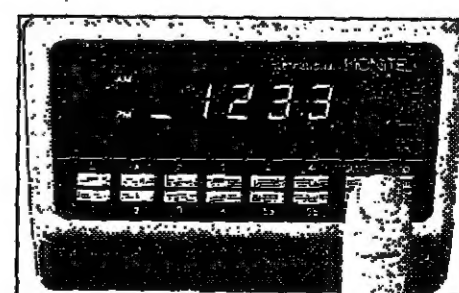
1 Touch the relevant charge band key.



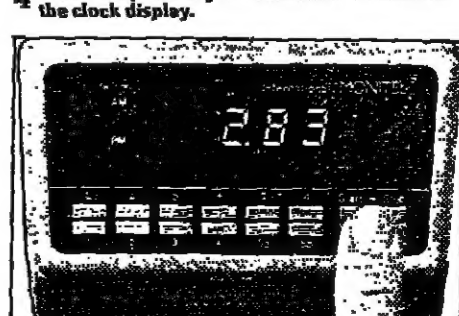
2 When your number answers, touch the start key.



3 Watch the money tick away.



4 Touch 'stop' when you've finished to return to the clock display.



5 Touch 'start' again to recall the cost at any time before your next call.

How Monitel works

The Monitel charge clock functions completely automatically. It adjusts itself to peak, standard and cheap rate periods, and the charge it displays includes VAT.

The charge clock gets its instructions from a punched card (supplied) which you insert when you set up the clock. Inserting the card is a simple, once-for-all operation.

So what happens when rates change? Simple. We automatically supply a new card for a nominal fee.

UK and overseas?

Yes. There are two models.

The first is for the UK only, with L, A and B charge band keys.

The second, International Monitel, comes with two punched cards, and offers you a choice. One card covers L, A, B, 1, 2 and 4 (UK, Western Europe, the USA and Canada). The other covers bands 1, 2, 3, 4, 5A, 5B - the international large bands, excluding the UK. Both cards are supplied; changing them is a matter of seconds.

What Monitel does for you

Quite simply, it gives you a chance to cut your phone bills. As money ticks away, callers learn to keep calls short. It's the only way your staff can do anything to control telephone costs.

How much does Monitel cost?

Suggested consumer prices are under £30 for the UK version, and under £40 for International Monitel. But of course, commercial and volume discounts are available. Monitel can also be leased. Typical leasing costs are around 3p a day - the cost of a single unit of telephone time!

Find out more about Monitel

For full details of Monitel, clip the coupon below. We'll send you a comprehensive colour literature - covering all aspects of Monitel for office use by return. Post the coupon today.

Monitel Ltd.
Berechurch Road,
Colchester,
CO2 7QH.
Tel: 0206 48227

Patent application numbers:
21087, 5107.
Registered design application
number: 98271.
Conforms to BS415.

Available from: Oyez, Ryman, Universal Stationers and all good office equipment dealers.

To Monitel Ltd.

Berechurch Road, Colchester, CO2 7QH.

☐ Please send me full details of Monitel.

☐ Please telephone me to arrange a no-obligation Monitel demonstration.

(Tick whichever is applicable)

Name _____

Position _____

Company _____

Address _____

Telephone _____

INCIDENCE OF LOWER INCOMES IN UK, 1976

Type of family	Percentage of all lower income families	Percentage of all lower income families	Approximate number of lower income families
Elderly	41	41	m
Single-parent	49	7	0.5
2-parent families with 3 children or more	38	9	0.6
1 or 2 children	16	12	0.8
Other types - married couples without children and single adults under pensionable age	19	31	2.2
	25	100	7.0

LABOUR NEWS

Engineering employers call for lower stage 4

BY CHRISTIAN TYLER, LABOUR EDITOR

ENGINEERING employers, the main voice within the CBI, yesterday set out their requirements for stage four of the incomes policy, now only 10 weeks off.

Stressing their dislike of pay norms, the management Board of the Engineering Employers' Federation nonetheless admitted that another phase and another "norm" were inevitable. The norm should be expressed in percentage terms and be "substantially below" the stage three figure of 10 per cent, they said.

The EEF called on the Government to make an early decision. Mr. Denis Healey, Chancellor, said last weekend the Government and unions must find an answer to the problem of controlling earnings by August 1—when stage three expires—especially since there would be a general election "in the near future."

Although time appears to be fast running out, the TUC has not yet arranged a date for a formal session with Ministers at which their ambitions for "an understanding" can be tested.

Mr. Len Murray, TUC general secretary, repeated yesterday that there could be no deal. The TUC had decided its policy.

Asked whether the unions would have anything to offer the Government in its search for "appropriate" counter-inflation policies he said there were many ways of controlling inflation. Expanding the economy was one.

Response

But he added: "I have no doubt that there will be an understanding by trade unions of the need to bring inflation down and I have no doubt there will be a response by negotiators to a climate in which the Government is very clearly making further effort to tackle the problems of the economy."

But there was no "plan or strategy" emerging from policy discussions with the Government.

The engineering employers' leaders called on the Government to give a lead in reforming collective bargaining so that industry could be extricated from incomes policies. There must be a more equitable balance of power between employers and unions.

Meanwhile, maintenance of the 12-month gap between main pay settlements was essential, genuine productivity deals should be allowed outside the guidelines, and the policy must allow "flexibility within companies."

Pay policies were damaging if continued and the EEF's objective must be to return to "responsible collective bargaining."

This phrase, incidentally, now seems to be accepted by employers, both main political parties and many TUC leaders as a preferable to "free collective bargaining."

Graduate employment outlook 'gloomy' for next 10 years

BY NICK GARNETT, LABOUR STAFF

A GLOOMY picture for graduate employment in the next 10 years is presented today in a report by the manpower studies group of the Department of Employment.

There will be slow growth in the kind of jobs the highly qualified held in the early 1970s. The number of people of working age and with first degree or equivalent qualifications will double throughout the 1971 to 1981 period.

The result is that graduates will have to seek jobs which only a few years ago graduates were not prepared to take.

Employment aspirations will have to be altered and employers should be prepared to employ graduates on a wider range of work than they do now.

In the 15 years to 1986 more than 1m people will be added to those in the labour force with first degrees or equivalent. In the next eight years more than one in six people seeking first jobs will have some form of higher education.

The report estimates that by the middle of the next decade the proportion of graduates looking for the type of jobs not considered suitable for graduate employment five years ago will have risen to 25 per cent, compared with 11 per cent in 1976.

Growth in the number of qualified people is likely to be much more rapid for women than for men and in arts and social studies rather than science.

The report says there are indications that employers are adjusting to the increased availability of highly qualified job seekers.

Talks to resume in bid to end Post Office engineers' dispute

BY PAULINE CLARK, LABOUR STAFF

HOPE OF an end soon to more than six months of industrial action by Post Office engineers, affecting some 670 exchanges throughout the country, are pinned on talks to be resumed next week on a union demand for a 35-hour week.

Leaders in the Post Office Engineering Union said yesterday that an offer was expected from management which, if acceptable, would be sent out to branches for consideration before the union's annual conference in the first week of June.

That was the earliest date possible for calling off the action, however, because it was the result of a conference decision last year.

The number of exchange connections affected in the City of London are said by the Post Office to be small.

But the City's impatience with long delays in getting new exchange lines connected was underlined yesterday at the annual meeting of Antony Gibbs, the bank and insurance concern. Shareholders were told a planned move to new offices at the end of this month could not take place because of the dispute.

Mr. Philip Desulvets, chair-

Strikes cost half-million working days in April

BY NICK GARNETT, LABOUR STAFF

WORKING days lost through strikes last month showed an appreciable increase over March—but both the number of stoppages which began during the month and the number of workers involved in strikes fell.

Lost working days rose to 541,000 in April over the previous month's total of 373,000. The number of strikes beginning in April fell from March's total of 195 to 141 and the number of workers involved in stoppages fell from 74,000 to 49,000.

For the first four months of this year, working days lost totalled 2.3m as against 2.5m in the first third of last year, according to figures in the Employment Gazette's May edition. This represents a drop of 17.5 per cent.

Stoppages which began in the first four months of this year were down to 728 from last year's first four months total of 946—a fall of 23 per cent.

In terms of working days lost during the first third of this year, industries most affected were motor vehicles, financial and professional services, general engineering and shipbuilding and marine engineering. In terms of the number of strikes, however, coal mining, with 101 individual stoppages, was second only to engineering.

The Department of Employment lists three prominent stoppages—a five-week strike by workers at an Ayrshire distillery, stoppages by locomotive repair depot workers and the strike at Rolls-Royce's Coventry aero-engine plant.

● Average weekly earnings for

Trawler strike threat

SKIPPERs and mates of the 224-member guild, said the Aberdeen trawling fleet have lodged strike notice with fishing boat owners to take effect on June 18 in a dispute over bonus payments.

The strike, if it goes ahead, will immobilise the 84-strong fleet, the biggest in Scotland, for the first time since the deckhands' ten-week strike in 1969.

Today about 30 trawlers in port for landing, with not until after a meeting of the Guild for some time on that aspect of the agreement involving skippers' bonuses and there with the owners this afternoon or tomorrow.

Mr. Joe McLean, secretary of the 224-member guild, said the owners proposed paying the bonus related to the profitability of the vessel, once a year instead of six monthly. The fishermen oppose this because of the variations in fishing and earnings from one month to the next.

Mr. Robert Allan, chief executive of the Aberdeen Vessel Owners' Association, said that they had been talking with the Guild for some time on that aspect of the agreement involving skippers' bonuses and there with the owners this afternoon or tomorrow.

A FINANCIAL TIMES CONFERENCE SCOTTISH FINANCE AND INDUSTRY

EDINBURGH JUNE 26-27 1978

A distinguished and authoritative panel of speakers will assess the outlook for the Scottish economy, appraise the country's industrial performance and prospects and examine developments in the financial sector. Devolution and its consequences for the economy will be among the subjects to be considered as well as the North Sea, with particular reference to its place in the world oil context.

The Chairmen of the four sessions will be:
The Rt Hon Lord Thomson of Monifieth PC
Mr Alan R. Devereux Chairman Scotland, Confederation of British Industry
Mr Ian R. Clark Executive Member of the Board, The British National Oil Corporation
Mr John B. Burke Chairman, The Committee of Scottish Clearing Bankers

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Please send me further details of SCOTTISH FINANCE AND INDUSTRY

Name (Block capitals please) _____

Title _____

Company _____

Address _____

Complaints by Russian unionists may be studied

BY OUR LABOUR EDITOR

THE International Labour Organisation in Geneva probably will be asked to launch an investigation into complaints raised by a group of trade unionists in Russia.

Mr. Len Murray, TUC general secretary, said after a meeting of the general council of the TUC that the request would come from the International Confederation of Free Trade Unions.

The TUC is taking a wary line. While supporting "the free exercise of trade union rights anywhere in the world," it is somewhat impatiently awaiting an answer to its letter to the Soviet trade union centre about the group, before making any pronouncement.

Meanwhile, it has been claimed that some of the leaders of the group have been sent to psychiatric hospitals.

Mr. Murray said: "We are dealing here with allegations regarding trade union members who, so far as we can understand, are not dissidents, but are complaining about the way their own unions, they allege, are ignoring their rights as trade unionists."

The TUC's international committee is hoping for a reply to its letter in time for its meeting next month.

He warned the Government that if prison officers did not get their huge pay rise next spring, there would be a danger of mounting discontent, resulting in a go-slow in the prison service.

Prison officers demand big pay rise next year

THE 21,000 strong Prison Officers' Association yesterday demanded a big pay rise next year without any Government interference on the ground that its members are paid "a measurable pittance for a unique job."

The association recently settled this year's ten per cent guidelines plus fringe benefits. They want to return to the established Civil Service pay formula by next spring, whatever the economic circumstances are. They were compelled to

Court sets aside ACAS Playboy Club proposal

AN arbitration service proposal that the Playboy Club should recognise the Transport and General Workers' union was set aside in the High Court yesterday.

ACAS—the Advisory, Conciliation and Arbitration Service—had failed to consult the club's staff association before making the recommendation on April 14, 1977, and it was therefore invalid, said Mr. George Dillon, QC, for the club.

Both ACAS and the TGWU agreed to the recommendation

COMPANY NOTICES

BANK LEUMI LE-ISRAEL B.M.

Notice to the Holders of U.S. \$10,000,000 7 per cent. Guaranteed Convertible Bonds 1984

(Convertible into Ordinary Shares of IL 1 each of Bank Leumi le-Israel B.M.) of LEUMI INTERNATIONAL INVESTMENTS N.V.

NOTICE IS HEREBY GIVEN to the holders of the above Bonds that Bank Leumi le-Israel B.M. is making an offer of 179,078,100 REGISTERED ORDINARY SHARES OF IL 1 each and of 179,078,100 REGISTERED ORDINARY SHARES OF IL 1 each of Bank Leumi le-Israel B.M. of LEUMI INTERNATIONAL INVESTMENTS N.V.

Each Unit of Series "A" comprises 30 Ordinary Shares and 10 nominal of the above Bonds are entitled to subscribe 1 Unit of Series "A".

Notwithstanding the fact that the Bonds are convertible into Ordinary Shares of IL 1 each of Bank Leumi le-Israel B.M. of LEUMI INTERNATIONAL INVESTMENTS N.V. the Bank has applied to the Tel Aviv Stock Exchange for the listing of the Units of Series "A" and the Ordinary Shares and Notes comprised in such Units on the Tel Aviv Stock Exchange.

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London Borough of HOUNSLOW

Variable Rate Stock 1982

For the six months from 25th May 1978 to 25th November 1978 the interest rate on the above stock will be 10.963% per annum.

Midland Bank Limited

JUSCO CO. LTD.

Advice has been received from Tokyo that the Annual Shareholders Meeting held on 15th May 1978 at the Hotel New Otani, Tokyo, Japan, was attended by 150 shareholders and 150 proxies.

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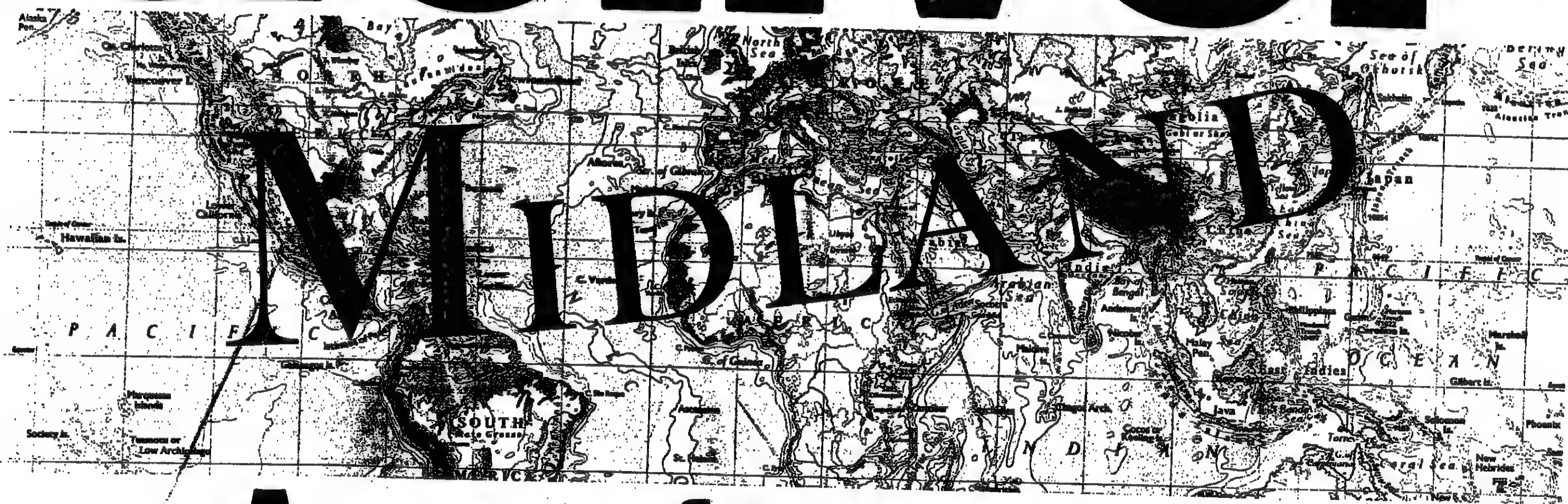
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The Financial Times

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A complete range of international financial services from Samuel Montagu, a major Merchant Bank and a member of the Midland Bank Group.

Eurocurrency credits, bond issues, corporate and investment services.

Samuel Montagu are also major market makers in bullion, foreign exchange and Eurobonds.

International Insurance. Competitively.

Comprehensive insurance and reinsurance broking services through Bland Payne—a member of the Midland Bank Group.

International Marketing Services. Competitively.

A unique range of marketing and export finance services through the London American International Corporation Limited, operating in over 100 countries.

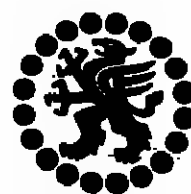
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To ensure your company makes the most of its international opportunities, you really should talk with us.

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TEST US.

Midland Bank International
Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944.



Delivers.

THE JOBS COLUMN

Marked prospects in Hanover, Africa etc.

BY MICHAEL DIXON

THE INSURANCE manager who interviewed me for my first job 24 years ago naturally offered me a glimpse of the heady prospects available. "To my certain knowledge," he said "there is a man in this office earning £500 a year who is not yet 30 years old."

Those who stayed in the business have, of course, since seen improvements in pay and conditions—we still worked three Saturday mornings a month in 1954. But I would nonetheless suspect that there are one or two insurance managers in the United Kingdom, if not in other countries, who might consider a job being offered by London-based headhunter Bill Larman.

It is true that the post is in Hanover, West Germany, where I am told that living costs are about a third higher than in Britain. That, however, should not altogether deter the recruit, whose salary will amount to roughly £50,000 a year; the range in Deutsch marks being 180,000 to 200,000. The opening is for someone who can bring up-to-date professional management skills—evidenced by successful leadership of a substantial insurance operation—to the Board of Hanover Iron and Steel Insurance.

The Board, of no more than half a dozen, heads an organi-

sation of some 1,600 souls concerned mainly with reinsurance for large industrial concerns. Although less important than demonstrable expertise in managing (as sharply distinct from selling) insurance, some experience in the reinsuring business would help.

Candidates, expectedly aged around 40, will also need at least enough German to be raised to working competence by a crash course, which could be provided during the six to nine months "settling-in" before the new director becomes fully operational. I gather that perks include a car. Outline qualifications in writing to Bill at Larman Associates, Tavistock House North, Tavistock Square, London WC1H 9HX—telephone 01-388 7207.

Liberia

TWO OTHER self-export opportunities for English-speaking managerial types are being offered through Birmingham-based David Upton, chairman of the FMR consultancy which regularly ships 80 or more British executives a year to West Africa. On this occasion the employer is the Government-owned Liberia Telecommunications Corporation currently planning, not only improved

services internally in the 1.5m-population country, but also large extensions to external services. With resources including iron ore and rubber, Liberia is apparently attracting significant investment from Japanese and other foreign commercial interests.

The jobs, both responsible to managing director Sam Butler, who is an American, are for a financial controller, and a commercial manager.

The controller will be accountable for all LTC's financial operations from invoicing and payroll, through budgeting, to international settlements and financial confabulations with the owning Government.

Candidates should be appropriately qualified at degree level, and a Master of Business Administration would certainly not be looked at askance. Experience in public corporations is wanted, and familiarity with telecommunications would help.

The commercial manager will need to be strong in marketing and sales, but will also be concerned with developing office procedures for collection of accounts, resolving customers' complaints, reviewing performance of operators and like staff, purchasing, and repairs. A similar level of formal qualification is desired, but success in comparable area of telecom-

munications work is the main requirement.

Both jobs also carry an important responsibility for the training of Liberian staff, and that means being willing and able to get down and do detailed work oneself occasionally so as to show the trainees how. Most likely age range in either case is 40-50. Experience in a developing country preferable but not essential.

Appointments for two years or longer offer salaries negotiable around \$30,000 (about £16,500) plus family accommodation, car, help with school fees and so on. Food costs are towards double those in UK, says David Upton, and Liberia still allows savings to be brought out.

Written applications to him at FMR, Regency House, 107, Hagley Road, Edgbaston, Birmingham B15 8LA—telephone 021-454 3691.

Taxation

SOMEONE WITH a shrewd understanding of the complexities of taxation and the ability to write about them clearly is wanted by John Wilson, managing director of Tolley Publishing.

A subsidiary of Benn Brothers, Tolley has about a dozen tax publications which it renews as and when laws and customs require, and has lately

entered the higher-frequency periodical business with a fortnightly review and digest for company secretaries.

The recruit will be based in Croydon and be responsible to Eric Harvey, the editorial director, for helping to produce the existing range of products and to develop new ones.

The mix and level of work will depend on the successful candidate's experience, about which Mr. Wilson has a remarkably open mind. He requires candidates to be chartered (like himself) or certified accountants or members of the Institute of Taxation. Their experience in tax work, however, could be as little as two years or as much as maybe.

This vagueness does not help me to estimate the salary, which is not disclosed—but I would conjecture that the minimum would need to be about £7,000 and the maximum a bit into five figures.

Written applications only to John Wilson at Benn Brothers, 25, New Street Square, London EC4A 3JA.

Incognito

NOW FOR this week's "anonymous-employer" offering, bearing in mind that Philip Egerton, the head-hunter, is handling the jobs, guarantees and other expatriate perks. No Jobs Column on Tuesday because of the bank holiday.

Corporate Finance Executive

c. £12,000

One of the largest firms of stockbrokers in the City of London seeks a young Corporate Finance Executive to join its substantial Corporate Finance Department, working closely with its senior partners. Remuneration package, including bonus participation, is negotiable around £12,000 a year.

Candidates, probably aged 25-30, should have a professional qualification in accountancy or law or the equivalent; and preference will be given to relevant corporate finance experience in stockbroking, merchant banking or a professional firm. Prospects are excellent for a person with numeracy, application and ambition.

For a fuller job description, write to W.T. Agar, John Couris & Partners Ltd., Selection Consultants, 78 Wigmore Street, London W1H 9DQ, (telephone 01-486-7442), demonstrating your relevance briefly but explicitly and quoting reference 2039/FT. This is an equal opportunity appointment. Replies will be treated in strict confidence.

JC&P

CJ

RECRUITMENT ADVERTISING
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

CJRA INVESTMENT ACCOUNTANT

CITY c. £7,000
AN ESTABLISHED INTERNATIONAL INVESTMENT BANK

Our Client is currently consolidating their fund management activities by bringing the currency and fixed interest portfolio of their institutional and private clients under the control of a small group of individuals. This is a unique opportunity for a resourceful person who can complement this group. Responsibilities would cover accounting and monitoring portfolio performance including the movement between currencies in the multi-currency accounts. The successful applicant will probably have a relevant professional qualification, augmented by practical experience of investment accounting, preferably with experience of the Eurocurrency and Eurobond markets and cash management. He/she will be working closely with Senior Management and be involved in all aspects of fund management and client consultation. In addition to the opportunity of promotion in the medium term, there are excellent fringe benefits including non-contributory pension, free family private health scheme, free life assurance and a subsidised house mortgage facility. Applications in strict confidence, which should be accompanied by a Curriculum Vitae, under reference 1A10289/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH

FAR EAST INVESTMENT ANALYST

Hoare Govett Ltd. have a vacancy in their Far Eastern Department for an experienced analyst to work in conjunction with the Company's Research Department in Hong Kong. He or she should ideally have had previous experience in the analysis of Far Eastern securities.

The successful applicant, although based in London, will be required to visit the Far East at regular intervals.

Remuneration by negotiation.

Applications, which will be treated in strict confidence, should be addressed to:-

The Secretariat,
HOARE GOVETT LIMITED
Atlas House
1 King Street
London EC2V 8DU

TAX CONSULTANT

Hong Kong c. £10,000
+ Accommodation and benefits.

Our client, the Hong Kong Practice of a major international firm of Chartered Accountants, employs over 500 staff. Due to continuing expansion of the tax department, the Practice now seeks to recruit a Tax Specialist to act in a consultative capacity and undertake a number of special assignments.

As there is an international flavour to the work, candidates should be able to demonstrate an interest in this field. It is anticipated that the appointee will have gained a minimum of two years tax experience in the U.K.

For further information on this appointment and details of living conditions in Hong Kong please contact either Brian Morren B.A., or Richard Norman F.C.A., quoting reference 2158.

Overseas Division
Douglas Limbells Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0NS. Tel: 01-429 1501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 5101
3, Colston Place, Edinburgh EH3 7AA. Tel: 031-222 7744



hcei

Holland Chemical International, Ltd.

Is a privately owned international trading company involved in the distribution, storage, shipping and trading of industrial chemicals, based in Bermuda with offices in Colombia, Ecuador, Venezuela, Brazil, Chile, Guatemala, El Salvador, Mexico, the Dominican Republic, the United States, Spain and Holland.

Due to extremely rapid growth, we are looking for Assistant Controllers to be located in Caracas and Bermuda.

The first position will involve regular review of existing financial systems in our subsidiary companies in South America to ensure a high quality of financial reporting. This will obviously entail developing systems to meet the demands of rapid growth. The Assistant Controller will also be responsible for review of the annual budget and annual accounts for his area. This position will naturally involve considerable travel.

The other position will involve establishing a regular monthly review of all subsidiary company reporting and the development of analytical techniques to provide an early warning system to senior management.

The persons we are looking for will preferably have a University degree and/or a recognised accounting qualification, and be between 30-40 years of age. In the case of the first position, candidates will be expected to have worked for a number of years in audit or internal audit and will now be responsible for general company accounting. In the case of the other position, candidates will be expected to have sound management accounting and financial analysis experience.

The Company offers a basic salary tailored to local conditions which will ensure an excellent standard of living, a company car or car allowance and one month's paid home leave annually. In addition, the Company operates a bonus system linked to profits and performance with the possibility of equity participation after some years.

It must be emphasised that these positions are not for short term contracts.

The company will pay full relocation expenses and any costs necessary for Spanish tuition.

Handwritten letters of application in English, Spanish or Dutch under number 1309, to P.O. Box 1526, 3000 BM Rotterdam, Holland.

Psychologisch Adviesbureau Deen b.v.
Westersingel 33, 3014 GS Rotterdam, Tel. 010.31.10.382711

Managing Director Carton and Box-making

Our client, located in E. Anglia, has been established for over 75 years. A unique company, providing an essential local service, is housed in a modern well-equipped factory.

With a staff of 100 and turnover £1 million c., the board seek a successor for the retiring incumbent.

He/she will have a strong technical background in the industry; considerable experience or qualifications in the financial and accounting functions; managed a similar sized unit and be familiar with current legislation.

If you believe you are capable of managing and developing the company through a challenging period, and aged circa 40-45, please contact us for full details (Ref 440).



5/9 Giltspur Street, London EC1A 9DE.
Telephone: 01-226 6226.

CHIEF ACCOUNTANT/DEPUTY FINANCIAL CONTROLLER

U.K. subsidiary of a substantial European group in the capital goods industry require a Chief Accountant/Deputy Financial Controller. Formal qualification and familiarity with E.O.P. is essential.

Candidate should have commercial and industrial experience. Location is Ascot/Bracknell area. Preferred age 35-50. Long term prospects for suitable candidate are excellent. Remuneration is commensurate with the appointment.

Please apply quoting reference PNM: to

POLYSIUS LIMITED

The Brackens, London Road, Ascot, Berks.

INVESTMENT ANALYST

Age 25-45

£15,000 p.a.

Medium size stockbroking firm with expanding institutional business requires investment analyst to specialise in property and building construction companies. Accountancy experience important but formal qualification not essential. Successful candidate will be required to show abilities as interviewer of company key financial personnel. Subsequent reports will be the basis of investment recommendations. Remuneration is negotiable. Write Box A.6365, Financial Times, 10, Cannon Street, EC4P 4BY.

hcei

Holland Chemical International, Ltd.

Is an international trading group involved in the distribution, storage, shipping and trading of industrial chemicals based in Bermuda, with operating companies in Colombia, Ecuador, Venezuela, Brazil, Chile, Guatemala, San Salvador, Mexico, the Dominican Republic, the United States, Spain and the Netherlands.

The Group has an opening for a young lawyer (25-30) who has an interest in corporate and tax laws. After an initial period of training at one or more of the South American based offices, he will be stationed in Bermuda, from where he will travel extensively to the operating companies dealing with their day to day legal developments and problems.

A basic salary will be paid locally which will ensure an excellent standard of living and one month's paid home leave annually. In addition the Group operates a bonus system linked to profit and performance with the possibility of equity participation after some years. The Company will pay full re-location expenses and any costs necessary for Spanish tuition.

Handwritten letters of application with a curriculum vitae, under number 1310 to P.O. Box 1526, 3000 BM Rotterdam, Holland.

Psychologisch Adviesbureau Deen b.v.
Westersingel 33, 3014 GS Rotterdam, Tel. 010.31.10.382711.

PARTNER — SEARCH + SELECTION

Successful one man consultancy seeks similar person to jointly expand growing City Blue-chip and general business.

Write Box A.6366.

Financial Times, 10, Cannon Street, EC4P 4BY

London Stockbroking Firm requires ASSISTANT for expanding Money Department. Experience preferable but not essential. Salary negotiable. Good prospects. Replies to H. S. Evans, LAING & CRICKSHANK THE STOCK EXCHANGE LONDON EC2

FIRST-CLASS OPPORTUNITIES available to qualified students and experienced accounting personnel. Contact Alec Moore on 01-628 2691



International Corporate Finance

Kleinwort, Benson Limited require a young man or woman, aged approximately 25 years, to join its International Corporate Finance team. Applicants should be graduates and have either a further qualification or a financial background, although not necessarily in merchant banking. The capacity to work under pressure is essential. International experience and a working knowledge of a European language would be an advantage.

Please write giving full but concise details of age and career history to:

M. L. Darby, Assistant Staff Manager,
Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

KLEINWORT, BENSON
Merchant Bankers

INTERNATIONAL BANKER

We require an International Banker with outstanding credit and marketing experience gained over several years in a banking environment, to join our wholly owned subsidiary in Hong Kong.

Applications are invited from bankers in their late twenties or early thirties with a strong Scandinavian background and fluent in English.

Candidates must have an in depth knowledge of all aspects of international lending including trade finance and syndications.

The successful applicant will be given an initial training period in London and then take up the position in Hong Kong. Applicants should be prepared to commit themselves to three years in the Asia Pacific area and also be prepared to travel fairly frequently.

Terms and conditions will be commensurate with the position and will include one trip back to Europe for the family each year.

Please write with particulars of past experience, age, education and family circumstances, to Mr. J. C. Clark, Manager Personnel, Nordic Bank Limited, 41, Mincing Lane, London EC3R 7SP.

NORDIC BANK LIMITED

DECEMBER 1977		
Nordic Bank Ltd.	Capital Funds	Shareholders of Nordic Bank
London & Singapore	£31.8 million	Copenhagen Handelsbank Copenhagen
Nordic Asia Ltd.	Total Assets	Den norske Creditbank Oslo
Hong Kong	£487.8 million	Kansallis-Osake-Pankki Helsinki
		Svenska Handelsbanken Stockholm

Join a Renowned Publishing Company

FINANCIAL CONTROLLER

London W.1. c. £8,500

Long established and with a large range of non-fiction titles, our client has a current turnover of £2m.

As part of the management team, the successful candidate will control the finance function, and be responsible for the further development of reporting procedures and computer based systems.

Applicants should be chartered accountants probably aged around 30. They should ideally have experience of a relevant service industry and demonstrate the commitment to succeed in a challenging environment.

Success in this position should lead to a Board appointment.

For more detailed information and a personal history form please contact Nigel V. Smith, A.C.A. or Peter Dawson, B.A. quoting reference 2148.

Commercial Recruitment Division

Douglas Llobb Associates Ltd.
Accountancy & Management Recruitment Consultants
410, Strand, London WC2R 0JF. Tel: 01-588 9921
171, St. Vincent Street, Glasgow G2 2HW. Tel: 041-326 2102
3, Coombe Place, Edinburgh EH3 7AA. Tel: 031-225 7246



Charles Barker Confidential Reply Service

Please send full career details and a personal history form to which we should not be bound to your local office. Write the reference number on the envelope and post to our London office: 70 Farringdon Street, London EC4A 4EA.

Gulf Merchant Banker

A major International Banking Group is seeking a young Merchant Banker for its Gulf based Merchant Bank. Applicants should be Chartered Accountants with at least two years Merchant Banking experience preferably in medium term lending. They should be between 25-28 years and prepared to live and travel in the Middle East.

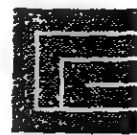
Please reply with full C.V. to the Security Manager, quoting reference 1469.

Managers for Commercial Vehicle Business in Africa & The Middle East

Successful selling in these two key market areas depends on the quality of one's contacts and real business acumen. We are searching for two Regional Managers who are able to bring this expertise to our client, a newly formed international truck marketing operation. An aggressive new marketing policy has been decided and the two new Regional Managers will be responsible for spearheading sales in their areas. Considerable expansion of business is called for by this major British company; therefore these two key positions represent exceptional challenges. In addition, the prospects of moving into a General Management role are very real. We would like to discuss these

important new positions with candidates (either male or female) who have an outstanding record of achievement in one of the two areas. It need not be in truck sales. We will also be looking for resilience of character (to cope with a fair degree of international travel), drive and the presence to represent our client at a senior level. We will also be interested in assessing your long term development potential.

The jobs will be based in central London and the remuneration package will be attractive. To apply: either telephone for an Application Form or send a c.v. to the address below. Please quote ref. RSM. At this stage all approaches will be treated in the strictest confidence.



Cambridge Recruitment Consultants

9 Brunswick Walk, Cambridge CB5 8DH. Telephone: Cambridge (0223) 311316.

Jonathan Wren - Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

EUROCURRENCY BUSINESS DEVELOPMENT OFFICER £ Negot.
Our client is a merchant bank recently formed by a consortium of prominent international banking names. To assist in the development of Eurocurrency Credit Business the bank seeks to recruit an executive, probably aged in his/her 30s, with experience in international corporate finance, particularly syndication of Eurocurrency loans and Eurobond underwriting. This is an attractive opportunity for career development within a new organisation with very sound backing.

CONTACT: Roy Webb

STERLING DEALER £ Negot.
A City firm, actively trading in the Sterling Money Markets, wishes to recruit a dynamic and accomplished Sterling Dealer. Candidates should have significant experience in Bills of Exchange, C.D.s. and inter-bank deposits, and be well-connected both in the City and amongst commercial depositors. Attractive remuneration is negotiable for a candidate whose capabilities match the demands of this appointment.

CONTACT: Mike Pope

MONEY BROKERS £ Negot.
The following money broking vacancies are among the many we can currently offer in this field:-

1. Experienced Local Authority Brokers or Dealers. — c. £4,000
2. Trainee Broker with fluent French, for prominent firm — c. £4,000
3. Foreign Exchange Deposit Broker with many years experience, for leading firm — £10,000
4. Experienced Sterling Broker, of Channel Islands birth, for prominent Money Brokers in Guernsey.

CONTACT: Mike Pope

170 Bishopsgate London EC2M 4LX 01-6231266/7/8/9

Eurocurrency Banker

Our client, a major New York based bank, is looking for an experienced man or woman to complete a professional team specialising in Eurocurrency lending to its Southern European customers.

This new appointment is based in London and offers participation in all aspects of the team's activities. These include relationship development, liaison with the Bank's Head Office and extensive European network, and involvement in Eurocurrency loan syndications. Subsequent re-assignment within two years to New York or one of the Bank's continental offices is a distinct possibility.

The successful candidate, aged 25-30, will have approximately three years' relevant experience in Eurocurrency banking, credit analysis and loan documentation. Fluency in at least one continental language is essential.

An attractive base salary will be supported by the usual fringe benefits normally associated with a first-class multi-national bank.

Please write in strictest confidence enclosing a full curriculum vitae, including present income, to: L. G. W. Cluett, at the address below, quoting ref. EB/251/FT, listing any companies to which your application should not be forwarded. All replies will be answered.



CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

DIRECTOR NON-FOODS

South East England
c £25,000 + Executive Car

An internal promotion creates a vacancy for a Senior Executive with a progressive background and an in-depth knowledge in all aspects of non-food retailing — textiles, hardware and the range of merchandise which complements a full grocery inventory in today's competitive retail market.

The Company's enviable growth and profit record and dynamic presence in the U.K. requires that the successful candidate, male or female, will have immediate credibility with the non-foods management both internally and outside the organisation.

Applicants will have the necessary specialised experience, probably gained with a major retailer, of directing a team of professionals in the buying, pricing, merchandising and selling of substantial quantities of a diverse range. He/she will be familiar with computer techniques of stock control and assortment, and have personal financial acumen and initiative to contribute positively to the Board's

necessary policy decisions to continue the Company's successful progress into the '80s. Salary negotiable, but executives earning less than say £18,000 at present are unlikely to succeed in this instance. Appropriate fringe benefits, superannuation and life assurance, etc. Relocation expenses naturally, if necessary.

If you feel you have the outstanding qualities this appointment will require, write briefly and in confidence — please do not telephone — and I will arrange to talk about it in more detail with the minimum delay.

ERIC JAMESON

PERSONNEL SELECTION

Personnel Selection Limited
48 Turret Lane, Church West, Midland Square, E3 7EL
Telephone: 01-355 7529 or 01-355 7531

Stockbrokers

A leading firm of Stockbrokers, with highly successful Institutional and Private Clients Departments, invite applications for the following positions:

Institutional Department

Equities c. £12,000

Experienced in servicing major institutions, backed by first class research team.

Gilt Edge c. £16,000

Experienced in all aspects and able to contribute to the investment policy. Sophisticated computer back-up facilities.

Private Clients Department

Senior Executive c. £12,000

Experienced in Fund Management on world-wide basis and able to make a positive contribution to the department's development.

Far East Sector

Specialists c. £7,500

To help co-ordinate research and advice to in-house funds.

In addition to the salaries indicated, an extensive range of benefits apply including attractive non-contributory pension scheme.

Please write with details of career to date and state any firms to whom your letter should not be forwarded, to:

J. D. Vine, Account Director (Ref: CRS/50),
Lockyer, Bradshaw & Wilson Limited,
North West House,
118/127 Marylebone Road, London NW1 5PU.

LBW

LOCKYER, BRADSHAW & WILSON LIMITED

Chief Accountant

London c. £10,000

St. Martins Property Corporation Limited is a major international property company managing a portfolio in excess of £200 million. The Corporation is reorganising and strengthening the accounting procedures and requires a chief accountant to head up this function.

He/she will assume responsibility for all accounting, taxation and related matters, including the development of improved controls and management reporting systems, and will advise on the formulation of company objectives.

Applicants, ideally aged 30 to 35, must be chartered accountants with significant post-qualifying experience in a commercial environment. Ideally they will have experience within a property orientated organisation with well developed financial control and management reporting systems.

Write in confidence, quoting reference 2984/L, to M. D. O'Mahony,

Peat, Marwick, Mitchell & Co.,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

Assistant to Funds Controller

British Airways requires a qualified Accountant to provide close support to the Funds Controller concerned with Foreign Exchange and UK Funds, Cash Services and Pay Office activities.

Based at Heathrow Airport, he or she will carry out various ad hoc studies to devise, develop and initiate improvements in techniques, data capture, internal controls, management reporting and cash management. The job calls for an ability to rationalise conflicting information and principles in order to compile succinct and objective reports and recommendations.

Applicants should be graduates and hold membership of a recognised Accounting body. You should also have suitable experience in or knowledge of Banking, Funds Control and/or Foreign Exchange.

British Airways offers an initial remuneration of £6080 per annum, plus a holiday pay supplement. Earnings incorporate a productivity supplement paid subject to achievement. In addition we offer excellent airline benefits which include an index-linked contributory pension scheme, and favourable holiday air travel opportunities.

For an application form please phone 01-897 3-16 3-47 (between 9am and 4pm), or write to:
Head of Recruitment and Selection British Airways
(Ref 633/FT/PW) P.O. Box 10, Heathrow Airport-London, Hounslow, Middlesex TW6 2JA.

British airways

Research Assistant/ Librarian

American investment bank in the City with wide international activities requires a research assistant/librarian. Responsibilities include the preparation of a wide variety of information on U.K. and Continental companies, and supervision of the library and filing system. Familiarity with U.S. companies, knowledge of at least one foreign language, and previous experience in banking desirable. Salary negotiable.

Telephone K. S. Naughton at 600 0951.

Personnel Management

Major International Bank

Our Client is one of the major forces in international banking with a substantial operation in the U.K.

This newly-created post will extend the present personnel function into new areas with initial responsibility for the training and career development of both junior and managerial staff. Wider responsibilities will follow in due course.

Candidates, preferably graduates and/or MIPM in their early 30's, must have had responsible personnel management experience, not necessarily in banking. Additionally, good experience of job evaluation and a broad knowledge of industrial relations and employment legislation are regarded as essential.

Career prospects for the successful applicant are self-evident and the salary plus benefits will be most attractive.

Contact Norman Philpot MIPM in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside, London EC2. Telephone: 01-248 3812/3/4/5

Financial Controller

Chingford, London. c. £15,000

LRC International Ltd. has a turnover approaching £100m in the home, health care and leisure markets and is looking for a financial accountant as Controller of its finance function, with a view to promotion to the Group Board within 18 months. As a member of a small executive team he/she will report directly to the Managing Director and have functional responsibility for accounting staff at headquarters and at Group companies in the United Kingdom, Continental Europe, North America and elsewhere.

The candidate's career should include an appointment of comparable seniority with substantial experience of financial planning and control, particularly involving currency management and

foreign taxation. The ability to quickly recognise and evaluate commercial opportunities is important. Age is secondary to an agile intellect and a flair for optimising the use of Group resources within an international organisation. Short periods abroad each year will be necessary and a knowledge of at least one other European language would be an advantage. The benefits which are commensurate with this senior appointment give the remuneration package a value of circa £18,000.

Application, in writing please, to Brian Lynch, Personnel Director, LRC International Ltd., North Circular Road, Chingford, London E4 8QA.

LRC International Limited

Marketing-Finance

Planning
Speak French?

It is hard to find a role that does not derive from the very heart of the business, but if the items in the heading come within your orbit, please read on.

The Chief Executive of a substantial (£100m+) division within a major British group, runs his companies with the help of a small but very able team of managers, based in London's West End. A recent promotion has created an opportunity for an ambitious young person, aged about 35, to assume the staff marketing role, coupled with that of Financial Controller.

He or she will advise the Chief Executive on financial control, marketing and financial planning, divisional strategy, preparation of budgets and financial statements, and appraisals, involvement in negotiations and, in the case of successful acquisitions, will co-ordinate their integration into the division.

With a significant part of the division's operations based in France, it will be necessary for the job holder to speak French.

The post will probably appeal to senior management consultants or executives performing a similar role in an industrial environment or merchant bank, who are seeking a way through to line management and a chance to run their own company before too long. The remuneration is excellent, but exceeds upwards of £12,000 plus car and non-vesting, plus removal expenses.

Please send brief but comprehensive details to Charles Barker-Coulthard Ltd., 20 Farringdon Street, London EC4A 4EA quoting Ref. No. 482 J.F.T.

Charles Barker-Coulthard

30, Farringdon Street, London, EC4A 4EA.

Telephone: 01-236 0526

A.G.M.

Sales and Marketing

BUPA

The high reputation of BUPA makes its name pre-eminent in the private health insurance field. The range of its services has increased significantly in recent years, and the group is poised for further development. We seek an Assistant General Manager — Marketing, reporting to the Chief Executive, who will control a marketing team in the London Head Office, as well as having functional responsibility for the sales staff based in the 21 branch offices throughout the British Isles. The key requirements are a sophisticated marketing background allied with successful experience at senior level in sales management, and the ability to operate

effectively in an organisation which provides for a very personal need. Remuneration will be arranged to attract those in their early 40s who are already earning a five-figure salary.

PA Personnel Services Ref. SM26 6437. FT Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

10 Park House, 60a Knightsbridge, London SW1X 7LE. Tel. 01-215 6160 Telex. 278-7



INTERNATIONAL BANKING APPOINTMENTS

LENDING MANAGER Hong Kong with relevant experience for major American Bank. Salary negotiable.

NEW BUSINESS/SYNDICATIONS MANAGER for leading Consortium Bank. Applicants must have 5+ American experience and fluency in Spanish. Salary c. £14,000.

BUSINESS DEVELOPMENT MANAGER Middle East with highly regarded Merchant Bank. Local knowledge and contacts essential. Arabic advantageous. Salary c. £12,000.

EUROBOND SALES EXECUTIVE based in London but primarily involved in Middle Eastern activities. Salary negotiable.

CORPORATE FINANCE EXECUTIVE for leading Accepting House. Ideally suited to young ACA or Solicitor with languages. Salary c. £7,000.

Apart from the few vacancies mentioned above we have many positions available for High Calibre Bankers. If you are currently contemplating a job move it makes sense to optimise your skills, find a long-term career progression. To do so contact us for an informal discussion.

Malcolm Hudson & Partners
Management and Executive Recruitment Consultants

29/31 Mile St, London EC3 Tel: 01-283 1854 (5 lines)

Peckston Shipping

Humberside REGIONAL MANAGER

c. £8,000

This is a new appointment resulting from a recently implemented company reorganisation into regions.

The Company, founded in 1926, has grown profitably and rapidly in the last two years in response to business opportunities and now operates 10 Branch Offices, three of which are in Humberside. These offices are located in Hull, Birmingham and Grimsby and are involved in ship agency, freight forwarding and ship chartering services. The Company is a subsidiary of the privately owned Peckston Group.

The Regional Manager will be responsible for the profitable operation of the Humberside offices, the development of new business and the effective administration of the branches.

Candidates should be between 28-35 years old and have had a successful and progressive career as a generalist manager within a service industry. Shipping experience is not necessary. Managerial and professional training will be given. The Regional Manager will be based in Hull and will report directly to the Board.

A Company car, relocation expenses and a non-contributory pension scheme are offered. The profit-sharing scheme currently operating within the Company should enable the committed Manager to improve earnings considerably.

Please apply, in writing, for an application form to:

David C. Ord,
Managing Director,
Peckston Shipping Ltd.,
Dundas House,
Middlesbrough, Cleveland

OPPORTUNITIES WITH BARCLAYS BANK IN NIGERIA

Representatives from the Lagos Head Office of Barclays Bank of Nigeria Limited will be visiting London during the summer to interview Nigerian nationals who would be prepared to return and work for the bank in Nigeria.

Various categories of staff of Nigerian nationality are required up to age 30, with the following experience and qualifications:

1. With banking or allied experience who are AIB's or have at least completed Part/Stage 1 of the examinations, or the equivalent, for supervisory and lower management posts.

2. Graduates or Post-Graduates, preferably with some banking or commercial experience, to commence as Management Trainees.

Salaries, terms and conditions of service will be discussed at the interviews in London.

Please apply in writing giving full details of qualifications and career to date to:

Assistant General Manager (Staff),
Barclays Bank of Nigeria Limited,
40 Marina, PM Bag 3027, Lagos, Nigeria.

Closing date for receiving applications in Nigeria will be 16 June 1978.



International Banking

We have been asked by a number of International Banks in the City to help find young bankers with interest and ability in the following areas:

Internal Audit (3)	£4,000 - £6,500
Euro. Loans Admin.	to £4,500
Documentary Credits	c. £4,000
Foreign Exchange (2)	c. £3,500
Accounts (Stg. & F.X.) (3)	c. £3,500

It is clearly impossible here to elaborate to a worthwhile degree either on the particular job definitions or the career opportunities they represent, except to say that they are each with relatively small but expanding Banks that demand genuinely sound experience and offer equally genuine prospects.

Please telephone either John Chiverton, A.L.B. or Trevor Williams on 405 7711.

David White Associates Ltd.

Hampton House, 84, Kingsway, London, WC2

LOANS ADMINISTRATION OFFICER

To join E.C.4 bank in the initial stages of their Lending/Credit Section. Previous experience in Loan Syndications and allied operations.

Age 24-28 Salary £4,500 p.a.

MANAGEMENT ACCOUNTANT

Fully qualified or in final stages A.C.M.A., A.C.A. for E.C.4 bank. Experience in banking an advantage.

Age 24-30 Salary £4,000-£5,000 p.a.

DOCUMENTARY CREDITS ASSISTANT

Experience in all aspects: payments and collections for E.C.2 bank.

Age 25+ Salary £4,000 neg.

LJC BANKING APPOINTMENTS

283 9958

Group Financial Controller

South Yorkshire

This is the top finance post in a thriving public group, active in the construction and allied industries and in related commercial areas. There are 8 operating subsidiaries and turnover is climbing towards nine figures.

Within a remit covering the corporate finance function the Controller will carry prime responsibilities dictated by the group's recent rapid growth — one: a general review and updating of accounting methods; another, the development of top management reporting from which all possible obscurities have been excised.

Candidates should be FCA in their middle 30's with career records demonstrating appropriate experience, and achievement, in industry.

Salary negotiable from £15,000. Car (Rover 3500) and benefits — and future prospects — to match.

Please write — in confidence — to Wallace Macmillan ref. B.31214.

For appointments to open to men and women.

MSL Management Consultants

Management Selection Limited

474 Royal Exchange Manchester M2 7EJ

International Banking

Young Business Professionals

... for an international banking group with its head office in the City of London. The group's policy is to recruit highly qualified young people with the potential and ambition to reach senior management positions. Initial appointments will be in the area of Corporate Banking and, thereafter, depending on achievement, there will be opportunities to assume other responsibilities in the UK and overseas.

Typically, candidates should be in their twenties with a good degree and could be MBA's or qualified accountants or solicitors. Candidates should have some track record in business or finance.

Appointments are, of course, open to both men and women.

The compensation package will be attractive with non-contributory pension scheme and subsidised mortgage.

Please telephone 01-629 1844 at any time; or write — in confidence — for information. Mrs. C. Gorst ref. B.8069.

MSL Management Consultants

Management Selection Limited

17 Stratton Street London W1X 6DB

Financial Controller

c. £12,000

A leading International Insurance Company wishes to appoint a Financial Controller who will play an important role in developing its Branch Office in London.

Applications are invited from Qualified Accountants with substantial commercial experience in an insurance company and who are capable of working entirely on their own initiative.

Primary requirements are the ability to set up and supervise efficient accounting systems, to prepare all necessary statutory returns and to provide financial, secretarial and management accounting services and advice to the General Manager of the Branch.

At the outset, the Financial Controller must be prepared to work alone, without back-up staff, in fulfilling the functions outlined above although, in due course, it will be necessary to plan and recommend additions to the Accounting staff in line with the growth of the Branch's activities.

The salary is negotiable around £12,000 p.a. and this is an outstanding opportunity for a young, energetic accountant to get in on the ground floor of a new and interesting development with exceptional career opportunities.

Applications should be made, in the strictest confidence, quoting Ref. No. AM74, to R. W. Murphy, Hughes Owens & Hewitt Ltd., Executive Recruitment Consultants, 6-8 Old Bond Street, London, W.1., who have been retained to advise on this appointment. No information will be passed to our client without the applicant's prior permission.

HOH
HUGHES OWENS & HEWITT

FINANCIAL CONTROLLER

London, W.1

c. £10,000

Our client is a major division of a specialist manufacturing company, with a turnover of £200m, and is a world leader in its field.

It is now planned to strengthen the central finance function through the appointment of a Financial Controller who will report to the Financial Director. The parameters of the position are broad and encompass control over financial and management reporting, short and long range planning, and the extension of computer based systems. In addition, the successful candidate will be expected to make a positive contribution to the company's development.

Applicants must be qualified accountants, probably aged 30-40, who have developed broad experience in an industrial environment requiring the interpretation and analysis of information. They should be able to successfully motivate staff and demonstrate the commitment and flexibility necessary to succeed in a demanding senior management role.

For more detailed information concerning the appointment and benefits, and a personal history form, please contact Nigel V. Smith, A.C.A. quoting reference 2151.

Commercial/Industrial Division

Douglas Lambias Associates Ltd.

Accountancy & Management Recruitment Consultants,

410 Strand, London WC2R 0NS Tel: 01-636 9501

121, St. Vincent Street, Glasgow G2 5HF Tel: 041-226 3101

3, Coates Place, Edinburgh EH3 7AA Tel: 031-225 7744



F/X is an exciting business but is your job routine?

We are one of the top companies in the U.K. computer services business - and also part of an international network. Our major clients include leading clearing, foreign and merchant banks and other financial institutions in the City of London who use us for a variety of computer applications including on-line foreign exchange systems, credit evaluation and financial management systems which are widely acknowledged as being the best available.

Expansion of these services into new areas within banking creates an exceptional opportunity in our customer support team for a young, ambitious man or woman. This position involves working closely with our clients, advising them how they can make the best use of our services and then supervising all the aspects of the installation of their systems. It offers a stimulating change from a mundane desk job to a more challenging and rewarding career. If you are the right person, we will train you

extensively both in the use of computers and our specialised products for the banking community so you can learn how our customers benefit from our services. We would like you to be aged 23-28, ideally with a degree, and have 3 years' experience of Foreign Exchange Operations, preferably with a foreign bank. Some involvement with on-line computer systems would be useful. But more important is a keen desire to change your career course and the confidence and potential to succeed in a professional marketing environment. We value your foreign exchange knowledge and will pay you up to £8000 p.a. Our attractive benefits include Company car, BUPA, pension/life assurance scheme etc. We are a young organisation - individually and as a Company. If you are seeking a dynamic activity where personal effort is encouraged and rewarded please write to Nicholas Birtles on 01-222 5665 or write to him at:

Comshare Limited,
32-34 Great Peter Street, London SW1P 2DB

COMSHARE
making the computer make sense

Controller-Finance & Administration

Over £16,000 p.a. plus allowances

Our client is Wardley Swire Assurance Limited, a company jointly owned by The Hong Kong and Shanghai Banking Corporation and the Swire Group. Currently, the company specialises in the provision of tailor-made retirement benefit schemes for major organisations and plans for further development in the range of services offered are at an advanced stage. The retirement benefit funding systems are administered through an IBM 3031 installation.

The Controller - Finance and Administration, will be a key executive, reporting directly to the Executive Committee. The person appointed will work closely with consultant actuaries and investment advisers in the administration of policy-holders' accounts and a large, diversified investment portfolio. Responsibilities will also cover general administration and accounting systems and procedures. Candidates must be qualified

accountants, desirably with executive experience in:

- * Investment portfolio analyses and control
- * Computerised systems and procedures

It will be essential for the successful candidate to acquire a thorough knowledge of retirement benefit systems in Hong Kong.

It is unlikely that any applicant under the age of 30 will have the required level of maturity demanded by our client for this important post.

Benefits include an apartment, education allowance and annual home leave with passages paid. There are good prospects for further advancement and the position offers attractive retirement benefits. Personal taxation in Hong Kong is currently at a rate of 15%.

Please write in complete confidence, quoting Ref. HK922/FT, to: Mr. D. E. Donaldson.

PA Management Consultants Ltd

Hyde Park House, 101a Knightsbridge, London SW1X 7LE. Tel: 01-235 4460 Telex: 27874



A member of PA International

Commercial Banker

c. £8,500 plus benefits

We are probably the UK's fastest growing clearing bank with 64 branches throughout the country and a planned development programme. It is our aim to see further growth of our commercial banking business and we are looking for an experienced banker to play a major role in the development of the Bank and to take charge of a small highly motivated team.

Based in Manchester the successful applicant will probably be in his or her late 30's and be able to demonstrate a record of proven commercial experience at managerial level which will include credit appraisal and customer relationship.

We offer a salary based upon the responsibility involved together with the complete range of normal banking benefits including assistance with relocation expenses.

If you feel you could fit within our stimulating environment write with full details to

R. J. Gorvin, Personnel Manager,
Co-operative Bank Limited,
P.O. Box 101, New Century House,
Manchester M60 4EP.

CO-OPERATIVE BANK

Reed Executive
The Specialists in Executive and Management Selection

Administration Manager

Midlands

to £10,000 + car

The Managing Director of the U.K. subsidiary of an international manufacturing group requires an assistant to relieve him of the general administration thus allowing him more time on sales and marketing. The position carries direct executive authority and responsibilities will increase as rapidly as the appointee can develop, with promotional prospects within 3 years. Candidates will be under 40 either professionally qualified or of graduate status preferably in Business Studies or with an M.B.A. Essential qualities are decisiveness, a tough-minded approach and proven administrative ability with experience of at least two different companies. Telephone 021-643 7228 (24 hr. service) quoting Ref. 1160/FT. Reed Executive Selection Limited, 6th Floor, The Rotunda, Birmingham.

The above vacancy is open to both male and female candidates

FINANCIAL CONTROLLER

East Anglia c. £9,500+Car

Our client is the market leader in price marking systems in the U.K. and a subsidiary of a major U.K. public company. There is currently a multi-million £ turnover and plans indicate substantial growth.

Responsibility will be to the Managing Director for Finance and Accounting, Administration, Secretarial, Personnel and Office Services. The ideal candidate will be a numerate qualified accountant, aged 28-40, with line experience at a senior level, who can make a general management contribution in a tough but exciting environment.

The attractive benefit package includes a bonus scheme linked to performance and a generous relocation package where applicable.

Malcolm Hudson & Partners
Management and Executive Recruitment Consultants

29/31 More St. London EC2. Tel: 01-263 1864 (5 lines)

DIRECTOR/GENERAL MANAGER

Taunton £10,000+ and car

James Pearsall and Company Limited, Taunton, requires a General Manager who will also be appointed to the Board of Bridport-Gundry (Holdings) Limited, its publicly quoted parent. Pearsall's, an old-established silk throwster, makes surgical sutures, twines, braids and industrial sewing threads. Expansion into sewings is expected to continue strongly. The Chief Executive will be responsible for the profitable performance not only of Pearsall's, but also of North Mills Textiles Limited, Bridport, producers of spun yarns, twines, lines and ropes.

An experienced textile executive with general management experience is required. A knowledge of industrial sewings would be an advantage.

Please telephone for an application form quoting reference GM/269/4 to:-

Miss Linda Hayward ICFC-NUMAS Limited
5 Victoria Street, Windsor SL4 1EZ
Windsor (07535) 56633

ICFC NUMAS
A subsidiary of Finance for Industry Ltd

ECONOMIST

Chase Manhattan Bank wishes to appoint a suitable qualified Young Economist to join its London based Economics Group working under the direction of Professor Geoffrey Maynard, Director of Economics, Europe and the Middle East. The person appointed will be expected to assist in the economic appraisal of the economies of the Middle East and North Africa, as well as participate in the general economic intelligence and forecasting work of the group.

Applicants should be in their mid or late 20's. They should be well qualified in economics generally and have been trained in quantitative methods of analysis. Ideally, they should have had about 3 years relevant experience in Universities, Government Service or appropriate international agencies. A working knowledge of French would be a substantial advantage.

The post carries with it an attractive salary and other employment benefits.

Apply in writing, giving full details of qualifications and experience, and names of referees who may be consulted, to:

Professor Geoffrey Maynard,
Director of Economics - Europe & Middle East,
The Chase Manhattan Bank N.A.,
P.O. Building 6th floor, Leadenhall Street,
London EC3A 3LL.



Managing Director Engineering-Scotland

For a subsidiary of a public company engaged in the manufacture of compression fittings. The factory, located in Edinburgh, comprises a small foundry, press shop and machine shop and the company has a healthy order book.

The position should be attractive to professional managers, preferably with foundry and general management experience, but experience in other engineering organisations coupled with an already successful career will be considered.

Candidates should be aged up to 45, capable of accepting full responsibility for the business, numerate, enthusiastic and with the ability to lead an existing team.

Applicants should presently be in receipt of a salary of at least £9,000 p.a.

Please write in confidence, stating age, experience, qualifications and present salary to: Chairman, Lamont Holdings Limited, Lamont House, Purdy's Lane, Newtownbreda, Belfast 8.

FIELDING, NEWSON-SMITH & CO.

Private Clients Department

Fielding, Newson-Smith & Co. have vacancies in their department dealing with Private Clients, Banks, Solicitors, etc. for:-

1. An experienced portfolio manager capable of taking over day-to-day responsibility for a group of clients on the retirement of a senior executive in the autumn.
2. A young graduate or similarly qualified person, probably in early twenties and preferably with one/two years' experience, to assist the partner in charge of the department.

Please reply, with curriculum vitae, to The Managing Partner, Fielding, Newson-Smith & Co., 31 Gresham Street, London EC2V 7DX

Taxation Accountant Banbury

Alcan Aluminium (UK) Ltd., one of Europe's leading aluminium companies, seek a Taxation Accountant for the Group Taxation Department in Banbury:

The successful candidate will research and assist in the development of tax strategies for the Group, for which a thorough knowledge of all aspects of company taxation is essential. An accounting and/or taxation qualification would be advantageous.

We offer an attractive salary, dependent on experience and qualifications. Generous benefits include assistance with re-location expenses, where appropriate. Banbury is a pleasant market town situated on the edge of the Cotswolds within easy reach of London and the Midlands, and with the added benefit of relatively low-cost housing.

For an informal discussion, please telephone F. A. Crowson, Group Taxation Manager, on Banbury (0295) 4545, or write to him at Alcan Aluminium (UK) Ltd., Alcan House, South Bar, Banbury, Oxon OX16 9XL.

ALCAN
... everything from aluminium

Managing Director

c £20,000

Based in London, our Client is a private company engaged in the manufacture and marketing of consumer products sold through mail order catalogues, retail stores and supermarkets, etc. There are substantial exports to a wide range of countries and an overseas subsidiary. The position has arisen due to constant rapid growth of sales and future expansion plans.

Reporting to the Chairman, the appointee will be accountable for the future expansion and profitability of the U.K. company. This will require the reorganisation and development of the management team and possibly the relocation of the offices and warehousing facilities.

Candidates, male or female, in the late 30's, should be well qualified senior managers, preferably with a business school training. A sound record of achievements, ideally in consumer products, in a role with full profit accountability is essential.

The remuneration package is made up of a basic salary of £15,000 plus profit sharing, a prestige car, the usual senior level benefits and an equity holding, after a qualifying period.

Please apply in writing, giving your telephone number and quoting reference 829, to Peter Barnett, F.I.P.M., M.I.M.C., Barnett Keel Ltd., Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 57011. Telex: 849323.

Barnett Keel
MANAGEMENT SEARCH

Reed Executive
The Specialists in Executive and Management Selection

Financial Controller/Company Secretary

Hertfordshire

c £10,000+car

This public quoted company, the accepted leader in its manufacturing field, is to recruit a qualified accountant, ideally aged 35 to 45, to report directly to the Chairman on all aspects of the finance and administration functions. The Controller will be responsible for the accounts department's timely and accurate production of management information and financial statistics, much of which is computer based, and will advise on all company secretarial matters. This is the top financial position in the company and could lead to future promotion; consequently it requires an enthusiastic and self motivated person with the strength of personality to take senior management decisions and control a large department. Telephone: 01-836 1707 (24 hr service), quoting Ref: 0299 FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates.

London Birmingham Manchester Leeds

MONTAGU, LOEBL, STANLEY & CO.

Gilt Edged Department

Due to further expansion we are looking for:-

- (1) An experienced gilt salesman/woman to complement the existing team;
- (2) An economist to assist in both economic research and sales activities.

Attractive terms offered—negotiable according to experience.

Please reply in confidence to:
Robert Froy,
MONTAGU, LOEBL, STANLEY & CO.,
31 Sun Street,
London, E.C.2.

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01-628 0985 Mrs. P. Dudley

SALES EXECUTIVE

£5,500-£6,000 + CAR

An excellent opportunity exists in the rapidly expanding Business Information Division of The Financial Times for a bright and enthusiastic Sales Executive to promote the sales of information, company reports and newsletters.

The successful applicant, who will probably be in their late 20's will have a minimum of three years experience in the high quality selling of products or services.

The prospects for such a person, who has the ability to make a positive contribution to the future success of the Division, are outstandingly good.

Applicants should write in the first instance enclosing full cv. to:-

Personnel Manager,
Financial Times,
Bracken House,
10, Cannon Street, EC4A 3DF

FINANCIAL WRITER

International financial organisation requires experienced financial writer, to write comprehensive analyses, in reportorial style, on the various principal industrial countries, on a per article basis.

The organisation will provide the research material required to write the articles, as designated. Successful articles will be written about a single country, in each case.

The successful applicant will have a background in international financial reporting. The fee for writing each article, of approximately two thousand words, is £100.

Please reply, sending resume and examples of work to:
D. S. Lowery,
P.O. Box 9533,

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TV AND RADIO

Problems with aeriels

ACCORDING TO the British Aerial Standards Council, an already somewhat unsatisfactory domestic aerial installation situation is likely to be made worse by at least two advances in broadcast transmission—teletext and direct transmission from satellites.

Since it was reformed in 1973 the Council has been trying to unite the aerial manufacturing and installing industry to the point where a customer using its services will always be assured of a standard of performance and reliability.

Most of the big makers are in the Council, which has issued a standard, but there are apparently still a considerable number of "cowboys" providing both hardware and installation work of dubious quality.

Research carried out by both the BBC and the EBC also shows that, although the great majority of domestic installations will have no problems in receiving teletext, about five per cent may do so due to an aerial problem.

"Ghosting" at a level which may not be a serious problem, but can badly affect a colour picture can, it seems, produce garbled characters on teletext.

MATERIALS

Quick response to light

HOPES THAT a UK-developed photochromic plastic with a reaction time of a millionth of a second would soon be developed into commercial products in the U.K. have now faded permanently according to Dr. M. A. West, managing director of Applied Photochromics, the company that developed the material in co-operation with a Ministry of Defence laboratory.

At the original demonstration in 1975 a transparent plastic plate containing a dispersion of a complex organic compound was turned black virtually instantaneously by a strong flash of light, becoming clear again about half a second later.

Since then, the London company has had "several hundred" enquiries from the director of action time of a millionth of a second would soon be developed into commercial products in the U.K. have now faded permanently according to Dr. M. A. West, managing director of Applied Photochromics, the company that developed the material in co-operation with a Ministry of Defence laboratory.

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One of the industrial areas in which a quick response to intense light would be a distinct advantage is welding, where it is necessary to continually push up or pull down a suitable darkened visor in front of the eyes with the arc off or on respectively.

Photochromic glass or plastics are not the only materials that can achieve a suitable automatic visor, however.

At least two companies, Gervue of Cleveland (Ohio) and Revue Thommen AG in Switzerland have developed visors based on liquid crystal technology and the latter company is offering a product in the UK through Planet Gloves (Industrial) of Trencynydd, Caerphilly (0222 858555).

The helmet, which will sell for about £95, has a fixed visor plate divided into two halves. In the top half is an interchangeable protective welding glass of the conventional type, while the lower half consists of a combination of polarising filter and liquid crystal cell.

Before arc ignition, the welder looks through the liquid crystal half of the visor, which is then transparent. As soon as the arc is ignited, a photocell detects the sharply rising light level and triggers a voltage supply to the liquid crystal cell, which becomes opaque. Since, from that moment, there is a slight loss of definition, he will continue

METALWORKING

Strip shape under control

IN METAL strip production, strip shape has been a major problem for rolling mill operators. Not only does badly-shaped strip require costly correction before it can be sold, it is also hard to detect that strip is going out of shape during the rolling operation.

So far, producers have relied largely on the skills and years of experience of the mill operator to sense any irregularities in shape and take necessary corrective action. Now shape can be watched and fully controlled even in high-speed rolling by equipment developed over the past five years by Leowy Robertson Engineering Company under the name of Vidiplan.

Fully automatic, it is regarded by rolling industry experts who have seen it under demonstration as a major advance, which must have important consequences in increasing productivity and influencing future rolling mill design.

Already, a strip mill on which the equipment has been recently installed is showing a further 25 per cent production increase from previous operation when it was running at speeds up to 1,200 metres per minute. This is the No. 5 mill at Sidal, Duffel, Belgium.

A British development, Vidiplan has attracted the interest of one of the U.S. aerospace companies which has ordered a complete Leowy Robertson aluminium strip mill fitted with the shape control.

Vidiplan is also available as a retrofit to existing mills and four European operators have just ordered retrofits for two mills in France, one in Holland and one in Austria.

Key to the control operation, which is under the supervision of an interdata computer, is the company's Vidimon shapemeter. This takes the form of a long air bearing divided into several segments, placed under the strip. When tension changes in any sector the corresponding air flow from a given segment is deflected and a differential pressure set up which is detected and translated into instructions to whichever portion of the roll train needs to be adjusted. Reaction is extremely fast.

As a footnote to the results from the Duffel plant, it is significant that strip being produced on Mill 5 is of a high enough quality to be delivered to users without tension levelling.

More from Leowy Robertson Engineering Company at Wallisdown Road, Poole, Dorset BH12 5AG. 0202 512211.

Helps to maintain accuracy

IMPROVED TRANSDUCERS for accurately measuring machine-tool slide motion, and a new series of digital counters can work together to form a complete range of digital read-out (DRO) systems for all types and varieties of machine tool under the designation of the Ferranti Acculink range.

Latest equipment to be introduced in the series is a low-cost digital read-out system, known as the AP100, intended specifically for long-travel machine tools. It

comprises an Acculink AP transducer linked to an Acculink 100 digital counter.

A characteristic of the new system is its reliability. The measuring transducer can cope with wide mounting tolerances and variations in the measuring gap resulting from heavy machining loads and sludgy distortion. The transducer will also continue to operate accurately despite contamination, and a warning is provided that the measuring scales should be cleaned before contamination reaches an unacceptably high level.

The Acculink 100 counter can be specified to provide a one-, two- or three-axis digital display. The display is in units of 0.1 mm and a zero setting facility is provided for each axis. Inch/metric switching, preset, absolute datum and other optional facilities can also be provided if required.

Ferranti, Industrial Products Department, Thornycroft Trad. Ind. Estate, Dalkeith, Midlothian, EH22 1NG. 031 6632831.

Makes it easier to pay

NEW LEASE purchase plans being introduced to Britain by Warner and Swasey, under the name of Cashrol (Cash Flow Control) provides advantages over alternative methods of financing by requiring lower payments in the early years.

Cashrol is asset-based and is believed to be the first lease plan recognising the asset value of machine tools and their productive use. Most other forms of equipment financing, including other leases, are organised in the

conventional manner of a bank loan. All of these methods of financing ultimately require payment of the amount of the loan with interest. The residual purchase after the second year value of the assets or their useful life are not considered.

High residual values of the Warner and Swasey machine tools have made it possible to offer the Cashrol lease purchase plan which includes an initial Street House, 186, Bristol Street, Birmingham, B5 7AZ. 021 622 1851.

Cutting tool life is increased

THE performance of throw-away and regrindable cutting tool tips is said to have been improved by factors ranging from 40 to 100 per cent following the development of a new class of sintered carbide by Inco Europe.

At the latter's research and development centre in Birmingham it was found that the inclusion of a small quantity of ruthenium in the sintered carbide considerably enhanced cutting performance and extended tool life.

Inco says that unlike coated tips, the improved properties are not skin deep and make the product ideal for brazed-on regrindable tools.

Production of the ruthenium-containing carbide tip is being undertaken by licensees of Inco's patents and the first licensee is Higher Speed Metals, Brocote Street, Sheffield S3 7GN. Both trial and commercial quantities of the tips are understood to be available.

AGRICULTURE

Grain drying controller

AVAILABLE from Cornercroft (Agriculture) is a grain drying and storage controller designed mainly for use with the company's fan heater units in on-floor stores and with round or square silo plants.

The unit has single knob setting, and the percentage humidity is read from a moving coil meter. Once set, the instrument controls fan and heater independently to achieve the relative humidity target set by the knob.

A continuous reading of RH in the fan air duct is given when the fan is running, or of the outside air when the fan is stopped. The two temperatures from which the instrument calculates the RH are measured by wet and dry thermistors ventilated by a miniature electric motor and fan. Ventilation of the crop is automatically stopped when the humidity is beyond either an upper or lower limit, preventing over-drying or moistening of the grain in extreme conditions.

More about the unit, called Humidistat, from the company at Goldham Road, Coningsby, Lincolnshire LN4 4SA (0526 42366).

CONSTRUCTION

Venture in the Gulf

IN PARTNERSHIP with A. W. Galadari Foundations (wholly-owned subsidiary of A. W. Galadari Holdings) a company called Cementation Chemicals Gulf has been formed to operate from Dubai.

Cementation Chemicals Gulf is to offer flooring products, concrete and mortar admixtures, water repellents, adhesives, sealants and other materials plus the facilities available from an associate company, Cementation Research, for studying construction problems. The new company's address is PO Box 22 Dubai, United Arab Emirates or contact may be made in the U.K. through Cementation's head office, Rickmansworth (87) 76666.

DATA PROCESSING

Europe's magnetic giant

LAST YEAR, one of crisis for the chemical industry, BASF's Magnetic Data Products (MDP) division showed the fastest growth and the best profit of any of the BASF divisions. Growth rate was in the 15-20 per cent region, and the gross for 1977 was around DM 300m, not including the U.S. operation, which is not consolidated.

The strength of MDP is such that BASF management is considering spinning it off into a wholly-owned separate subsidiary. The awkwardness comes from the type of operation that is MDP: it is both a magnetic media producer and a supplier of drives and electronics. This leads to a large service and maintenance organisation, which itself is a substantial profit earner.

BASF specialists talk privately of the economics of drive sales and support being such that a properly organised supplier can make as much profit from maintenance and service during the period of a five-year lease as they can from the leasing of the peripheral itself.

BASF's MDP division is the sole European-owned source of magnetic media and disc peripherals, disc drives, floppy disc drives, and mini floppy disc drives. It is now beginning to be recognised as such, and its future product is being tied in to some of the systems developments now going on in Germany.

It supplies Nixdorf, Kienzle, ITT's S2L, and Siemens. With the last, it is involved much more deeply than as a supplier of discs and drives and has gone into a joint, one for one relationship, development project to supply disc drives for the new Siemens commercial computer series now under development.

BASF is also a supplier to Philips, and has some ties with CII Honeywell Bull in France.

Currently, BASF make disc packs (Winchester type in which the head is an integral part of the pack), discs, floppy discs, "mini floppy" discs and the drives to go with them. Production of the latter is now running at 20,000 a year, and BASF is confident about the long-term future of this market. It has got the price for the small drives

AUTOMATION

Solves complex problems

UNCLE describes computing procedures aimed at nuclear engineering, but applicable to industry at large.

They result from years of work by the computer section of the UKAEA Northern Division at Risley, Warrington.

UNCLE is an aid to setting up engineering problems in simple form, to providing solutions of complex mathematical equations and to understanding the results of calculations that relate to very complex shapes.

Applying it to complex metal components are plotted automatically, the shape being divided into a large number of tiny spaces or "finite elements". These are small "parcels" for which it is a comparatively simple exercise to set up descriptive equations.

The program can then go on to amalgamate these small equations in order to simplify the solution of problems relating to heat transfer or stresses and strains in the conditions that such a component will meet once it is installed inside a reactor.

This does not preclude BASF from going it alone in other areas where all the technology is in-house.

Federal Government agencies think magnetic media have a future and BASF has been offered Federal R&D funds, though when it will get them, due to the immense bureaucracy of West German support mechanisms, no one can say.

Once calculations have been carried out, understanding the results can be simplified through the facility for plotting them as contours. For example, in analysing the vibration to be expected in a cooling tower, the whole complex surface of the tower can be straightened by the program into a rectangular form so that "high-spots" of stress or other results are visible to one view. If required, the results along one line of nodal points can be automatically plotted as a line graph.

Documentation is being prepared for more general access to the scheme by outside industry. The contact is John Enderby, Central Computer Service, Northern Division, UKAEA, Risley, Warrington WAT 6AT. Warrington 31244.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its over-dimensional arrays and these news broadcasts.

"Our company has, over the past decade, become a major force in its industry"

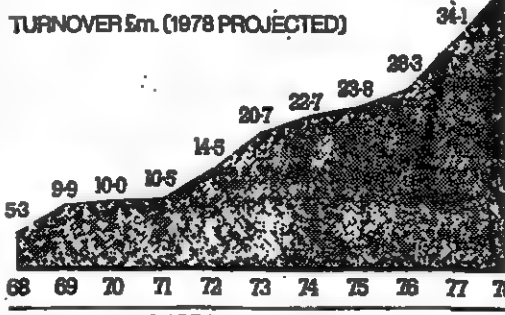
Julian Wellesley, Chairman, Charles Barker ABH International Limited, in his Review of 1977.

Our company has, over the past decade, become a major force in its industry. We have risen from 18th place to 7th in the UK (on the basis of turnover or "billing", so far as these things may accurately be determined). However, unlike most other advertising and PR companies, we have grown through a policy of market segmentation, both geographically and by type of business, so as most effectively to meet the varied and increasingly specialised needs of our clients.

Today, we have about 500 people in London,

Birmingham, Manchester, Glasgow, Edinburgh, Aberdeen and Sydney. Our business comprises advertising of all kinds, public relations of all kinds, and certain related types of consultancy. We work in one capacity or another for 174 of the "Times 1000" largest UK companies, as well as for numerous major international companies.

Charles Barker is also a one-third owner of ABH International which has substantial shareholdings in agencies in the USA, Canada, West Germany, Holland, Belgium, Italy and Switzerland.



BREAKDOWN OF PROJECTED 1978 TURNOVER

Charles Barker City, £7.9m. Europe's largest agency specialising in corporate and financial advertising, including print design and production, and public affairs campaigns.

Ayer Barker Hegemann, £11.4m. Consumer advertising. Largest accounts: Sainsbury, Channel, Bristol Myers, Clorox, Harp Lager, Irish Tourist Board, M&S, Midland Bank.

Charles Barker Scotland, £1.9m. Glasgow, Edinburgh, Aberdeen. Consumer, industrial, financial and recruitment advertising and public relations.

Charles Barker Cross Courtenay, £1.5m. Manchester. Consumer, industrial and recruitment advertising.

Charles Barker, Black & Gross, £2.7m. Birmingham. Consumer and industrial advertising and public relations.

Charles Barker Lyons, £8.1m. Europe's largest public relations consultancy with specialist skills in corporate, financial and consumer PR, sponsorship and promoters, parliamentary information and consultancy in the UK and Europe, and employee communications.

Charles Barker Recruitment, £7.5m. The second largest specialist recruitment advertising agency in Europe.

Charles Barker-Coulthard, £0.9m. Management selection and executive search.

Charles Barker Films, £0.2m. Sponsored films.

Charles Barker Australia, £0.7m. Sydney. Public relations.

Our prospects and objectives

The prospects for our business inevitably reflect in microcosm those of our clients. At the present time the major UK markets in which we operate are relatively buoyant and a billing of £42.8m. seems within reach. If achieved, it will produce an increase of 20% in our income and a substantially greater improvement in our profits and retained earnings.

One of our objectives is to build our operations outside London, and we have recently acquired the capital of a thriving Manchester agency which has joined the Group as Charles Barker Cross Courtenay. We shall continue to seek other such opportunities.

We also have a specific objective to increase our share of consumer advertising, the largest market in which we operate, building on the success of Ayer Barker Hegemann through organic growth and, should suitable opportunity arise, through acquisition.

In the Charles Barker Group, because of the make-up of our business, we have an asset which is probably unique in the range and quality of our people and skills. It is through their dedicated work and many achievements that we have reached our present position; together we may look forward with great confidence to the future.

We work in one capacity or another for 174 of the "Times 1000" largest UK companies.

To: Julian Wellesley, Charles Barker ABH International Limited, 30 Farringdon Street, London EC4A 4EA. (Telephone: 01-236 3011)

Please send me a copy of your Annual Report on 1977. I would also like to hear more about:

- | | |
|--|---|
| <input type="checkbox"/> Ayer Barker Hegemann | <input type="checkbox"/> Charles Barker City |
| <input type="checkbox"/> Charles Barker Lyons | <input type="checkbox"/> Charles Barker Recruitment |
| <input type="checkbox"/> Charles Barker-Coulthard | <input type="checkbox"/> Charles Barker Films |
| <input type="checkbox"/> Charles Barker, Black & Gross | <input type="checkbox"/> Charles Barker Cross Courtenay |
| <input type="checkbox"/> Charles Barker Scotland | <input type="checkbox"/> ABH International |

Name _____

Position _____

Company _____

Address _____

McGraw-Hill HANDBOOKS

Special Displays of McGraw-Hill's prestigious collection of scientific, technical and managerial Handbooks will be held at the following bookshops from June 5th-16th.

Austick's Polytechnic Bookshop
25 Cockridge Street,
LEEDS,
LS1 3AN.

B. H. Blackwell Limited,
48-51 Broad Street,
OXFORD.

Dillon's University Bookshop Ltd.,
1 Mallet Street,
LONDON,
WC1E 7JB.

W. & G. Foyle Limited,
119-125 Charing Cross
Road,
LONDON, WC2.

W. Hartley Seed Limited,
152-160 West Street,
SHEFFIELD,
S1 5ST.

W. Heffer & Sons Limited,
20 Trinity Street,
CAMBRIDGE,
CB2 3NG.

Hudsons Bookshops Limited,
116 New Street,
BIRMINGHAM,
B2 4JJ.

The Modern Book Company,
19-21 Fried Street,
LONDON,
W2 1NP.

Sisson & Parker Limited,
25 Wheeler Gate,
NOTTINGHAM.

John Smith & Son (Glasgow) Ltd.,
57 St. Vincent Street,
GLASGOW,
G2 5TB.

James Thin Bookseller,
53-59 South Bridge,
EDINBURGH,
EH1 1YS.

Thorne's Students Bookshop Ltd.,
63-67 Percy Street,
NEWCASTLE-UPON-TYNE,
NE1 7RS.

W. H. Willshaw Limited,
16 John Dalton Street,
MANCHESTER,
M2 6HS.

William George's & Sons Ltd.,
89 Park Street,
BIRMINGHAM,
B3 1PW.

McGraw-Hill Book Company (UK) Limited



Charles Barker ABH International Limited

EDITED BY MICHAEL THOMPSON-NOEL

Fifteen try for PanAm's \$33m

BY MICHAEL THOMPSON-NOEL

**ADVERTISING EXPENDITURE
BY 35 TOP-SPENDING GROCERY BRANDS OF 1970**
(Press and TV at 1970 prices)

Index:
100 = 1970

(Source: MEAL)

Year	Index
1970	100
71	95
72	88
73	75
74	70
75	52
76	50
77	48

J. WALTER THOMPSON, which at present has approximately \$20m of Pan American World Airline's total operating budget, but has discreetly decided that the airline has placed (it wants a single agency to handle its total international marketing effort. At present, Pan Am, which spends \$33m-plus on advertising and promotion, uses Ally and Gargano for its U.S. campaigns but has now invited some 15 agencies, including JWT, to put up proposals for its total world business. Outside the U.S. Pan Am's six strongest markets are the U.K., Japan, Germany, Brazil,

achieved during 1975-78. Unigate says the aim is to sell an extra 12,000 gallons a day; it says it will be a long time before it is profitable.

● **ACCOUNTS AND CAMPAIGNS:** LAL, the London-based international aviation and communications group, has handed its £500,000 account to **Koyas** & Co. of London. The £1,250,000 on the U.K. launch of the new Lancia Gamma ... **Robinson's**, part of Colman Foods, is offering 20,000 free, Popability LPs as part of a £70,000 ad/promotion package. **Wm. Morris** is offering 20,000 free Mornick Richards is starting a £150,000

consumers should continue to pay a premium price for them. "Happily, there are enough successful manufacturer brands to demonstrate that this erosion of brand value is an inevitable process. As far as I can see, they are almost invariably brands that have improved their products, introduced new variants, redesigned their packaging and not allowed their competitors to catch up by eroding their pricing. They have taken the positive approach in branding."

Venezuela and Australia. WFT is quietly confident it will score big, partly because of the strength of its international network, partly because some of its biggest rivals are already hooked into rival airlines, and partly because its Pan Am work has been established in all the Pan Am markets.

● **TO HELP BOOST MILK SALES.** Unigate Dairies is launching a £500,000 promotion aimed at giving its 10,000 milkmen the chance of big prizes for increased sales. There will be a Milkman of the Month award. Milk consumption is running 6 per cent lower than the peak

Press campaign for the renamed Leyland Vehicles Dorland Adverting has gathered in the 80-page, 100,000 free advertising for Caterpillar Over Europe, Africa and the Middle East . . . Only Benson and Mather has resigned the 3M business, worth around £300,000, on account of its unprofitability.

● **ASA AND THE RANKS.** ASA is to run a free national campaign for the Advertising Standards Authority. During the next few months every Rank-controlled cinema will show at least one week of ASA advertising for free. The cost equivalent: £35,000.

A row of five medicine bottles and boxes. From left to right: 1. A box of Disprin with a cross logo and two tablets. 2. A box of Anadin with a black and white design. 3. A bottle of Milk of Magnesia with a white label. 4. A box of Bechmann's Powders with a white label. 5. A box of Rennie with a white label.

and advertising, which seems almost totally to enervate the proprietary medicines sector of any blame on the advertising front and thus raise seriously with the retail general conclusions. According to the statistics, a total reduction or partial control of advertising expenditure could be reflected in retail prices in the form of savings. The consequences, however, are more obscure. Product brand images could become increasingly blurred, leaving consumers to rely more on doctors or pharmacists, in turn resulting either in increased costs to the NHS or increased costs to the consumer in the place of strong multiple groups. It could also mean that the consumer's choice is ultimately reduced. In fact, the industry is now stop developing new proprietary medicines, concentrating instead on more probable products. . . . The conclusion of the report is that the consequence of any control on advertising must therefore be speculative. . . .

As the word is the word, there may indeed be advertising skeletons lurking in the vaults of the proprietary medicines market. But the report does not seem to be disturbed by this report. . . .

loyalty for some products which do not have to be sustained with such heavy advertising as others. This may have been fostered over a number of years by other forms of sales promotion. Equally, the quality of advertising support for a particular product may be such that its brand position has been achieved at less media cost than for competitive products."

To an outsider, that paragraph may appear to hit the bull's eye to anyone who knows anything at all about the magnificently uncertain, joyously subjective, business of advertising, it is a glorious statement of the obvious.

Unfortunately, the Commission does not supply specific sales and advertising data for specific products. Nor does it indicate what, in its view would constitute fair or non-excessive A/S ratios. It merely states its concern that some manufacturers can maintain their brand positions with relatively low expenditure while others seem to have to spend much more, even on established products. It is therefore led to the conclusion "that in some cases advertising expenditure is excessive."

The reason why Reckitt and Colman, for one, says it detects a multiplicity of authors behind the report is to be found at the end of the chapter on marketing

of advertising expenditure could be reflected in retail prices in the short term. The long term consequences, however, are more

Southern

**There's more
to America than Texas,
"podner."**

Texas.
Cowboys in Cadillacs. Oilfield
cushions. Instant millionaires. A tempt

Top career jobs for men and women in account management, marketing, media art, copy design, production, training, promotion, PR, content, Brief, Briefs, or executive secretaries and PAs.

**There's more
to America than Texas,
"podner."**

Texas.

Cowboys in Cadillacs. Oilfield gushers. Instant millionaires. A tempting target for your U.S. advertising.

But remember this: The Wall Street Journal reaches more Southwest decision-makers than any Texas newspaper.

And, beyond Texas. The Journal is America's national business daily. Read by millions of U.S. decision-makers. In business, industry, finance, government. From coast to coast.

To reach Texas — and more — advertise in The Wall Street Journal.

It's the best way to spur your American sales.

**The Wall Street Journal.
The oil-America business daily.**

Represented by DJIMS. In London, call Ray Sharp at 353-1847; in Frankfurt, call Joachim Nurnar at (611) 74-57-40. Other DJIMS offices in major business centres around the world.

Southern Television can give you a facelift.

The face which your company presents to the world may not be quite as handsome as the one you see in the boardroom.

It's a fact.

And it makes corporate advertising, communicating your attitudes and philosophies to everyone from the Government down, very important indeed.


Southern, with its high count of opinion-forming ABCs, is the ideal area in which to lay the foundations of a favourable corporate identity. Recent surveys show that companies who run corporate campaigns on Southern gain a significant advantage in awareness, recognition and beneficial attitudes.

That too is a fact. If you're interested in a corporate facelift, call the number below. We'll be happy to show you our Corporate Identity presentation.

SOUTHERN TELEVISION

For further information contact Brian Henry, Marketing & Sales Director.

**INTERNATIONAL
WORD PROCESSING
EXHIBITION
AND
CONFERENCE**



Europe's No. 1 Word Processing Event

This is the most comprehensive, authoritative and influential event of its kind in Europe. With over 40 exhibitors and an associated programme of seminars, it provides an unparalleled opportunity to find out just how you and your organisation can benefit from this rapidly developing aid to business efficiency.

*For further information ring 01-242 7515 at any time.
A recorded announcement will give you details of how to get to Wembley, admission to the Exhibition and seminar booking arrangements.*

6-8
June

Organised by the Business Equipment Trade Association

Lesson from the fringe banks

BY MICHAEL BLANDEN

THE LESSONS of the fringe banking crisis of 1973-74 have been driven deeply into the consciousness of the City. Vigorous measures have been taken to tighten up the supervision and control of the banking system by the Bank of England, matched by similar efforts in many other countries.

A whole generation of commercial bankers, which had no previous experience of crisis conditions, has learnt the dangers of being swept away by over-enthusiasm for the current fashion in lending. Indeed, there have been arguments that attitudes have swung too far the other way, with conservatism in banking commanding such devotion that there was no room left for experiment or for newcomers to enter the industry.

Worried

Yet one or two close observers of the industry are beginning to get a little worried about the trends in banking, fearing that in spite of the recent experiences some of the mistakes made in the boom years could be made again. There is concern, for example, about the international eurocurrency markets to accept ever lower margins in order to retain a share of the lending business.

One of the people who have expressed anxiety about the latest developments in banking is Professor Jack Revell of the University College of North Wales in Bangor, a man who has followed closely the development of official thinking on the control of the banking industry.

In his recent paper submitted to the Wilson Committee on the financial institutions, Prof. Revell suggested that "it is doubtful whether the experience of the banking crisis was painful enough to the general run of bankers and regulators for lessons to have been fully absorbed."

He identified a number of aspects of the present situation which he felt needed to be watched. First, he maintained, the regulatory system should not rely for its safety largely on the strength of the big banks, but should leave a place for smaller competitors and new banks, even if these required much closer supervision.

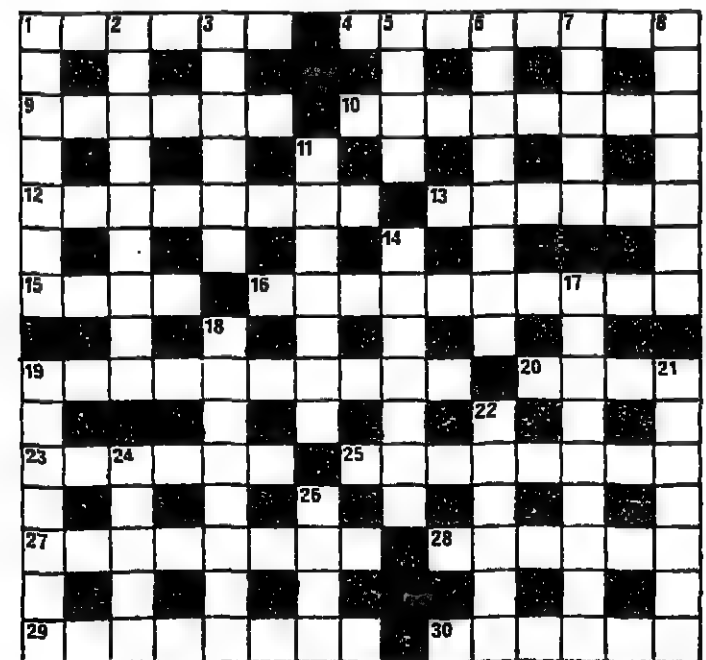
Second, Prof. Revell stressed that the duties of the authorities extended beyond the supervision of individual institutions to planning the whole environment in which they all operated, and he suggested that one useful initiative might be the introduction of some kind of lender of last resort.

TV/Radio

† Indicates programme in black and white.

BBC 1
6.40 a.m. Open University. 9.41 Five School. Collected about 12.28 p.m. On the Move. 12.45 News. 1.00 Peppie Mill. 1.45 Chigley. 2.00 You and Me. 2.30 For Schools. 3.00 News. 3.30 Regional News for England (except London). 3.35 Play School (at BBC 2 11.00 a.m.). 4.20 Ninjabat and the Magic Mountain. 4.35 Heads and Tails.

FT CROSSWORD PUZZLE NO. 3,676



ACROSS
1 Soldiers in party are not revealed (8)
4 Pure oils that may be dangerous (8)
5 Clergyman takes a peep at start of text (6)
10 Malignant men in the interim (8)
12 Sequel which may bring play to a close (8)
13 A cat I caught is particularly small (6)
14 To exist in retirement is wicked (4)
16 Contest in which anyone may participate without paying (6-3)
17 Happen to arrive at a narrow defile (4, 2, 4)
18 Employer makes you and me hesitate (4)
21 Lined with raised surface goes to oriental railway (8)
22 Inch fish is nonsensical (6)
23 Performer having the will to surpass (8)
24 Request for a quiet carillon (6)
26 No religious woman I take on could be ungarlanded (3-5)
28 Fairly narrow-minded about ringleader (6)

DOWN
1 To drink with soldiers is most revealed (7)
2 The work of the reviewer could be censured (9)
3 Station us in school (6)

BUSINESS AND THE COURTS

Speeding up the arbitration process

BY A. H. HERMANN, Legal Correspondent

LORD WILBERFORCE, Lord of Appeal in Ordinary, told an Arbitration Forum in London last week that the Government was considering legislation which would make it possible for those who wish to have their disputes arbitrated in England and under English law to contract out of the "special case" procedure.

This procedure, peculiar to English law on arbitration, enables either of the two parties, if dissatisfied with the award, or the arbitrator himself, to ask the court to review the legal issues involved. There is thus no escape from the possibility that a "London arbitration" could be transformed into litigation so long as the contract was governed by English law. This "special case" procedure is bitterly criticised by some and extolled by others. The intention now seems to be to make it possible for parties to renounce—when concluding a contract—the possibility of appeal to English courts on legal issues.

The advantage of arbitration over litigation is used to be asserted, was the informality, speed and lower cost. In many cases it still may retain this advantage, but complaints that it is becoming increasingly formal, slow and costly are becoming louder and more frequent.

Delays

The use of delaying tactics by parties wishing to avoid or postpone an arbitration award is possible even in countries which do not know the "special case" procedure, though the English system does seem to make it easier. As the law now stands a party dissatisfied with an arbitration award on a point of law can ask the arbitrator to "state the case" so that it can be submitted to a judge in the High Court for decision. Should the arbitrator fail to comply with this request, it is open to any of the parties to ask a judge to order him to state the case. If the judge finds that there is indeed a question of law involved he will make such an order, and from that point on the case is open for the arbitrator to higher courts. The dissatisfied party may, and sometimes does, go from the

Divisional Court to the Court of Appeal, and even to the House of Lords, by which time many years could have passed and legal costs may well have exceeded the amount in dispute.

Speaking at the Arbitration Forum which was convened by the Paris-based International Chamber of Commerce, M. Yves Derains, Secretary General of the ICC Court of Arbitration, said he was negotiating in London for similar arbitration facilities as those already provided in Paris and Seoul. An advisory board, formed for this purpose, is chaired by Michael Kerr, the High Court judge specialising in commercial cases. The establishment of an ICC arbitration base in London, together with the Government's proposed legislation—are likely to enhance London's role as one of the world's leading arbitration centres.

The ICC attempt to establish a base in London is linked with its intention to set up an international centre for maritime arbitration. The ICC expects that such a centre together with the arbitration rules it would

envolve, would be welcomed by the developing countries. Because of the expertise available in London it is assumed that many of the arbitrations held under the auspices of a new ICC maritime arbitration centre would actually take place in the English capital.

In the course of the past year the ICC has brought on stream another innovation which springs from the notorious difficulty facing arbitrators trying to establish the essential facts of disputes concerning the construction or performance of major industrial plants, the development of products, or public works contracts.

Solution

By the time the need for arbitration has been agreed upon and the arbitrators have been appointed several years may have elapsed. By then the project could have been completed or in any case it could have undergone such changes that it would be extremely difficult to find out what the posi-

tion was at the time when the dispute arose. To facilitate the work of arbitrators facing such a problem the ICC has established The International Centre for Technical Expertise which has a panel of surveyors and other technical experts.

Provided that a suitable clause is included in the contract, a neutral and impartial expert can be appointed at the request of either party to carry out an immediate inspection on the spot, and record a kind of "still picture" of the situation. This picture would then be available to the arbitrators when they are called, perhaps some years later, to apportion the blame. It is hoped that an objective report by an impartial expert will enable the parties to resolve the dispute without the need for arbitration. This new facility established by the ICC has already been used by several companies and found useful.

The Forum not only heard news of improvements and new developments but also received numerous complaints.

Most of these concerned unsatisfactory rules of evidence,

but also the appointment of inexperienced arbitrators, delays and finally problems with enforcement of awards, be it because these were ambiguous or incomplete or because their enforcement was difficult under the national laws of the country concerned. The ICC also promised to make its procedural time limits more flexible and to improve the rewarding of arbitrators by taking into account in its fee scales not only the amount involved in a dispute—as at present—but also the time spent by the arbitrators in solving it.

Complications

The discussion, in which leading judges, barristers and arbitrators took part, left the observer with the impression that as cases are becoming more complicated, arbitration procedure is becoming more like that used in courts. If nothing radical is done soon to simplify it, to make it more certain, and to speed it up, the advantage of accepting arbitration will hardly outweigh going straight into litigation.

Flaming Leaves looks pick of the fillies at Goodwood

FOLLOWING TWO afternoons on which colts' races have dominated it is the turn of the fillies at Goodwood today. Here, by far the most valuable and interesting event in the six-furlong event at Newbury Tote Golden Jubilee Handicap. Illustrated London News take their first step into sponsoring the London News handicap, a S. H. Hyde Founders two-year-old stakes commemorates the man who saw the potential of racing at Suburb-on-Thames.

A special event at the end of the day is the Trainers' Centenary Celebrations Invitation race, in which those taking part will include Fred Winter, Josh Gifford, Pat Rohan, and Pat Taffie.

RACING
BY DOMINIC WIGAN

nor Kumari have accepted for this event, but several potentially smart fillies are in the line-up, including Cistus, a disappointing joint favourite for Ireland's 1,000 Guineas, Flaming Leaves, from Peter Walwyn's stable, responsible for last year's winner, Western Star, and in the form Swiss Maid.

My idea of the likely outcome is a victory for Flaming Leaves. A daughter of Old Time, a highly successful sire in the U.S.,

Flaming Leaves made two appearances last season.

On the second of these, this chestnut created a fine impression by lengthening her stride, approaching a distance in a six-furlong event at Newbury before going on to put eight lengths between herself and runner-up, Micklemore.

On her only previous run this term, Flaming Leaves showed up for a long way before finding lack of peak fitness telling against her in the Pretty Polly Stakes on testing ground at Newmarket on 2,000 Guineas day.

Sure to be all the better for that outing, Flaming Leaves, a generously priced 50-1 chance for the Oaks next month, may have too much class for Cistus.

Looking a little further ahead, a trip to Saratoga on Saturday, June 3, should prove an enjoyable experience, for Kempton Park celebrates 100 years of horseracing on that afternoon with £24,000 in added prize money for the centenary meeting.

The programme features two 2,000 Guineas races, the Kempton Park Centenary International Fillies Stakes and the E. S. Perse Memorial Stakes, while the two are marking their own 1978 celebrations with the £5,000 Tote Golden Jubilee Handicap.

Illustrated London News take their first step into sponsoring the London News handicap, a S. H. Hyde Founders two-year-old stakes commemorates the man who saw the potential of racing at Suburb-on-Thames. A special event at the end of the day is the Trainers' Centenary Celebrations Invitation race, in which those taking part will include Fred Winter, Josh Gifford, Pat Rohan, and Pat Taffie.

GOODWOOD
2.00 a.m. M. L. Mover
2.30—Baccalaurate**
3.00—Roryn
3.30—Flaming Leaves***
4.00—Le Solei
4.30—Miss Cameron*

HTV
1.20 p.m. Report West Headlines. 1.30 Report Wales—Headlines. 2.00 Women Only. 4.20 The Wacky Woodpecker Show. 4.40 Sport. 5.00 News. 5.10 Report Wales. 5.30 Report West. 6.10 Report Wales. 6.30 Report West. 6.40 News. 6.50 Report Wales. 7.00 Report West. 7.10 News. 7.20 Report Wales. 7.30 Report West. 7.40 News. 7.50 Report Wales. 8.00 Report West. 8.10 News. 8.20 Report Wales. 8.30 Report West. 8.40 News. 8.50 Report Wales. 9.00 Report West. 9.10 News. 9.20 Report Wales. 9.30 Report West. 9.40 News. 9.50 Report Wales. 10.00 Report West. 10.10 News. 10.20 Report Wales. 10.30 Report West. 10.40 News. 10.50 Report Wales. 11.00 Report West. 11.10 News. 11.20 Report Wales. 11.30 Report West. 11.40 News. 11.50 Report Wales. 12.00 Report West. 12.10 News. 12.20 Report Wales. 12.30 Report West. 12.40 News. 12.50 Report Wales. 1.00 Report West. 1.10 News. 1.20 Report Wales. 1.30 Report West. 1.40 News. 1.50 Report Wales. 2.00 Report West. 2.10 News. 2.20 Report Wales. 2.30 Report West. 2.40 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From Renaissance to Baroque

by NICHOLAS KENYON

"The appraise of them that judge is the encouragement of those that write. My first two books of songs speed so well that they have produced a third." The Consort of Musicke could echo these words of John Dowland (in the preface to his *Third Booke of Songs*, 1603); their recordings of Dowland's first and second songbooks have sped so well that the third is certain to be welcomed with equal enthusiasm. But this new two-record set does not, I think, merely repeat the success of the splendid earlier issues; it has even more to offer. The singing of the four-part settings is as clear and unobscured as ever, but the balance between the four soloists—Emma Kirkby, John York Skinner, Martyn Hill and David Thomas—is now more natural and more relaxed. Whereas the director, Anthony Rooley, seemed in the first issues to be self-consciously varying the performance style of each song lest the set should become monotonous, here the arrangements are simpler: either solo voice or quartet, with or without lute (sensitively strengthened by a bass viol), plus viol consort in the final "dialogue."

The emotional range and depth of Dowland's songs is overwhelming, though they were never intended to be sung as a sequence; they achieve a growing intensity when performed consecutively. There is no despair in this third book, rather a resigned ardour which attempts to rouse itself ("Weep you no more, sad fountain," and be joyful in spite of the pessimism which life's experience offers. The mood is beautifully summed up in a tiny little four-part setting, perfectly done on the record, *O sweet handkerchief*: "The day I see I am clear/But I am never the near/For grief doth still appear. Cold hold! The sun will shine warm/Therefore now fear no harm/O blessed beams..." This is not the Dowland of the *sempiternalis* tag, and nor do these records present the conventional Dowland. Most rewarding listening.

Among the very large number of recent recordings of pre-classical music that warrant the attention of even the most general collector, none is more cheerfully enjoyable than the *Concentus Musicus* disc of concertos by Schmelzer. This elder contemporary of Biber was one of the virtuoso native Bohemian musicians whom the Emperor Leopold II, against all the Italian fashions of the time, brought to the Imperial Court in 1680. The music exudes a pleasure in instrumental display, an experimentation with colourful and unusual combinations of instruments, and an almost folk-like rhythmic vigour, all of which it would be hard to better outside Bach's Brandenburg Concertos. The *Concentus Musicus* are ideally suited to the realisation of what the English sleeve-note delightfully terms the "monstrous tonal richness" of these

concertos: even though this is a partial re-issue of a set made some eight years ago, the playing still outshines anything we have achieved in this country. There's outstanding bassoon and gamba playing, fine contributions from Don Smithers on cornet, and a vocal sound compared with that of the Consort of Musicke, but then the music is far more demonstrative. Less successful, I thought, is Pro Cantione Antiqua's record of Renaissance Marian motets, glorious music which when sung by modern male voices acquires an unwanted muddiness. But done with the utmost professionalism. More music of undeniable greatness which has been recorded with less total success: the viol fantasias of Henry Purcell, those extraordinarily rich

and sensitive approach to this music realises its full potential: both Pinnock and Malcolm have an extrovert rhythmic sense which makes some movements thrilling—Gilbert gives the impression of being over-careful. This is curious, because no such reservations could apply to his unequalled complete recording of Couperin's harpsichord music, which Harmonia Mundi have just re-released in four boxes: here his understanding of the inflections of the music, his control of his instrument's sound, and his ornamentation, are all well nigh perfect. But Couperin's restraint is not identical to that of Rameau.

Equally important, yet also providing its share of frustrations, is Gustav Leonhardt's recording of the complete Well-Tempered Keyboard. (Is this a new recording? There is no date.) Leonhardt emphasises the large time gap between first and second books of the so-called "48"—22 years—by using two different instruments. Often his playing is authoritative, and his brilliant characterisation. But (as one might expect with music one has played since childhood), there are a large number of places where the listener is compelled to disagree, where Leonhardt seems to give the music a perversely mis-calculated character. Just to take two examples: the D major (Book Two) has a splendid Prelude, but the weight and liveliness, but then its intricate fugue is made to sound plodding and prosaic. As for the G flat minor Prelude (Book One), how many meditative players will agree, or believe in, the jagged French Overture, into which Leonhardt transforms the piece? Nevertheless, a consistently stimulating issue.

I can do no more than draw your attention to some of the products of smaller companies which deserve attention: the new Tactus label, in particular, has made a feature of recording early music in natural acoustics, not electronically modified, and of choosing reasonably small-scale ensembles to ensure accurate reproduction. The results on their initial releases of recitals by the London Pro Musica and the New London Consort are most successful. Saga has produced another of its interest in the occasional survey of guitar music, persuasively and pleasantly presented by James Tyler and friends. And finally another new company, Meridian, has taken the dubious step of recording the *Extremes* String Ensemble which (after a name change) recreates the skill of extemporising divisions in Elizabethan music. Hard to object, though, for the ensemble's subtle facility and great good taste will surely win them many more admirers on record than they have in the concert hall.

Two important new boxed sets of harpsichord music deserve more space than they can be given here. Kenneth Gilbert's recording of Rameau's harpsichord music follows hard on the heels of the completion of Trevor Pinnock's complete recording, and of the release of George Malcolm's pioneering set. Gilbert has the advantage of three superb original instruments (all in the Museum of the Paris Conservatoire) by Goujon, Hemsch and Dumont-Tassin, but I don't feel that his intensely introverted

late flowerings of an almost dead form, as performed by the Ulsamer Collegium with an indulgent weightiness and a wide, expressive vibrato through which it is difficult to hear the subtly angular counterpoint of the music with any precision. I think I would prefer a more stringently band to this though it was good to be reminded of Purcell's melancholic skill in weaving his instruments around each other in the four-part fantasias (particularly the grave and serious minor-mode works which begin side two) or in surrounding the long plausions of the *In Nomine* with elaborate decoration.

After all, the piece is about people not saying what they mean, and although the essential comedy centres around the servants class, the ridiculous amorous conceals of their masters, sex lurks threateningly in the wings and must be brought in under a spotlight by any responsible modern producer. "Horror!" exclaims the purist, quoting the vice of precedent of Planchon plucking a large bed centre stage. In Chereau's *La Dispute*, the metaphysical argument was given short peripheral shrift in favour of a genuinely sexy core of encounters between children, incestuous from their first flirtatious prattle. This play, adapted from a minor work (*L'Heureux Stratonice*, 1733), concentrates on the ding-dong (more ding than dong) among an aristocratic quartet whose example threatens the animal lust past between a valet and a serving girl.

The whole exercise is presented as a genteel caper against a precious background and Noel Willman's production therefore depends for its success on the superficial style emitted by his cast. In this respect he is admirably served by Sian Phillips and Keith Baxter as the couple who want each other when all is said and not done. The rest is all footnotes, and the obstacles with Morag Hood as a capricious Marquise stirring trouble before settling for Tim Woodward's Chevalier, a rounded and unfortunately muted townie top.

It is all like watching theatre behind a glass partition and so no point is an argument propounded for a full-scale reappraisal of Marivaux, the neglected comic successor of Molière. There are greater causes to be championed, and if Marivaux is to be one of them, then someone should be studying the example of the TNP.

Malvern Festival

Malvern is an ideal town for a festival, and late May is the ideal time to hold it, with the English spring at its zenith. The town is in a festive mood, and the English spring at its zenith. The town is in a festive mood, and the English spring at its zenith. The town is in a festive mood, and the English spring at its zenith.

Last year the Royal Shakespeare Company opened its fine production of *Man and Superman* here. It is too much to hope for a similar event every time; even in the fabled pre-war years the Festival lost a bomb, and, although subsidy has been generous, the Festival Society can hardly sponsor its own productions—yet. This year it is showing three visiting productions, the last of which, *Prospect's Saint Joan*, I have already reviewed with considerable enthusiasm. What's more, there are three visiting orchestras, and numerous first-class chamber music players. There is even a Fringe—an encouraging sign of local involvement.

The opening play is Gailford's *Pygmalion*, directed by Val May. This is the most immediately attractive of Shaw's plays, and the production is an enjoyable one, with a bouge bouche in the person of Evelyn Laye as Mrs. Higgins. Mr. May goes too far in his search for laughs, though, allowing Graham Callan's Freddy, for example, some outrageous clowning quite out of character.

Jennifer Wilson's *Eliza* suffers too. She's O.K. in the first act, though her Cockney is no more accurate than Shaw's. She is splendid in the scenes after her great triumph. But in her vital scene at Mrs. Higgins's At Home she is right off the rails, and allowing her silly over-reaction suspect this must be Mr. May's voice, he kills the jokes that



Evelyn Laye and Paul Daneman

error. Higgins is teaching her to be a lady, and he could never have specified that absurd hat; worse than the hat she wore as a flower-girl. Moreover, by allowing her silly over-reaction suspect this must be Mr. May's voice, he kills the jokes that

depend on common speech in a cultured voice. Higgins and Pickering are decently done by Paul Daneman and Dennis Ramsden, and there is an amusing Doolittle, Bill Owen with a walrus moustache

and a set of postures as graceful as anything his daughter learns after six months' sweating. Next week, You Never Know, from the Abbey Theatre, Dublin, with Cyril Cusack.

Elizabeth Hall

Lindsay quintets

by DOMINIC GILL

The Lindsay String Quartet the first C major episode of the was joined by a pianist and a slow movement as clearly as a one-week season there on Tuesday night. But that was at the beginning of her act when she made an entrance in the old tradition—the split in her black dress, to reveal an ample leg, almost reaching up to the dip in her bodice, which displayed a doubly ample chest. For a time all was well because Diana Dors, no shrinking violet, has learned to live with, and to laugh at, her blonde and brassy image. She makes a living from being over-blown and revels in her flesh. Even when she started to sing she deserved the initial ovation—her voice is clear and confident and melodic. It was when she got on to her anticipated talent for chat, and for back chat, that the interest ebbed. She seemed to be a vision of Hollywood nostalgia: Mae West or a Ginger Rogers so beloved by the Country Cousin set—too old to

Country Cousin

Diana Dors

The audience at Country Cousin, always a friendly, not to say boisterous, crowd, took the anecdote about her recent career could be better left to a Press hand out, the Michael Parkinson Show, or the opening of a supermarket. The News of the World of the 1950s. Her encounters with the claps at the front few table were more geared to Batley than wicked London, being heavily with well tried clichés of "you couldn't afford me variety. And the unavoidable impressions were, surprise, surprise, of Mae West, Eartha Kitt etc. (Has anyone appearing a Country Cousin failed to impress Mae West?) Perhaps Miss Dors was keeping the naughty stuff for the late show? Perhaps she thought Country Cousin attracted Benic Gilman's coach parties, but after her full frontal entrance and her surprisingly professional giggles it was disappointing not to be overwhelmed by a big personality to go with them.

ANTHONY THORNCROFT

Chichester Festival Theatre

The Inconstant Couple

by MICHAEL COVENEY

After the stunning appearance of the National two years ago of Patrice Chereau's TNP production of *La Dispute* it is all too drab to be dumped unceremoniously into a less than century country retreat where Marivaux lives and the linguistic sex battle bristles as if nothing had happened in the theatre for 200 years. "Oh, Watteau Lovely War" should be the subtitle for

a broken-backed evening of stylized thrust and parry in dire need of Molière's interference. To be mellow for a second, I have nothing but praise for John Bowen's beautifully wrought, elegantly baroque translation (originally commissioned by the National Theatre), but I am afraid that I side with Planchon, Vilar and Chereau in expecting a reevaluation of Marivaux that

does not hinge on a reverentially futile attempt to reconstruct the complicated literary tradition within which he wrote. After all, the piece is about people not saying what they mean, and although the essential comedy centres around the servants class, the ridiculous amorous conceals of their masters, sex lurks threateningly in the wings and must be brought

in under a spotlight by any responsible modern producer. "Horror!" exclaims the purist, quoting the vice of precedent of Planchon plucking a large bed centre stage. In Chereau's *La Dispute*, the metaphysical argument was given short peripheral shrift in favour of a genuinely sexy core of encounters between children, incestuous from their first flirtatious prattle. This play, adapted from a minor work (*L'Heureux Stratonice*, 1733), concentrates on the ding-dong (more ding than dong) among an aristocratic quartet whose example threatens the animal lust past between a valet and a serving girl.

The whole exercise is presented as a genteel caper against a precious background and Noel Willman's production therefore depends for its success on the superficial style emitted by his cast. In this respect he is admirably served by Sian Phillips and Keith Baxter as the couple who want each other when all is said and not done. The rest is all footnotes, and the obstacles with Morag Hood as a capricious Marquise stirring trouble before settling for Tim Woodward's Chevalier, a rounded and unfortunately muted townie top.

It is all like watching theatre behind a glass partition and so no point is an argument propounded for a full-scale reappraisal of Marivaux, the neglected comic successor of Molière. There are greater causes to be championed, and if Marivaux is to be one of them, then someone should be studying the example of the TNP.



Martin Chamberlain, Veronica Roberts, Sian Phillips and Keith Baxter

Arts news in brief

A summer festival of chamber music and song recitals at the Wigmore Hall has been arranged in the vacuum in London's musical life which will arise from the temporary closure of the Queen Elizabeth Hall and the Purcell Room.

The festival, from July 15 to August 5, will be presented by the Arts Council and is being organised by Eleanor Warren responsible for the BBC's St. John's Smith Square lunchtime recitals. There will be six British string quartets taking part, and the festival will include the first London appearance of the Borland Piano Trio.

Other living British composers represented will be Richard Rodney Bennett, Peter Maxwell Davies, Alan Ridout and Collin Seaman. The festival opens with the first London recital for many years of the distinguished mezzo-soprano Christina Ludwell, accompanied by Geoffrey Parsons. This will be followed by the Wigmore Hall's first late night concert—Rodney Stalford's Bassinful—at 10.30 pm. On the three following Saturday nights there will be late shows by Singlet II, a talk by Antony Hopkins and the Marion Montgomery and Richard Rodney Bennett entertainment *Just Friends*.

Artists appearing include Aquilino Achucarro (piano), Mayumi Fujikawa (violin), John Shirley-Quirk (baritone), George Malcolm (harpsichord), Paco Pena and Carlos Bonell (guitars), Jean Bernard Pommier (piano), and Ely Ameling (soprano). Ensembles include the Gabrieli, Medici, Lindsay, Aeolian and Chilingirian String Quartets, the Fires of London, The Songmakers' Almanac and the London Early Music Group.

The Devon village of Uppottery is to be the stage for a major four-day arts festival next month. The festival, from June 1 to June 4, includes a drama written for Uppottery by Patricia Beer. The play will be directed by Clive Swift, for many years a member of the Royal Shakespeare Company, and the cast includes Frank Windsor, Edward de Souza, Michael Goldie, Rowena Cooper and Peter Jeffrey.

Entitled *The Enterprise of England* it describes the events of the summer of 1588 when the Spanish Armada was approaching the coast of Devon. It is based on the letters and writings of Lord Howard of Effingham, Admiral of England, Sir Francis Drake, and the Duke of Medina Sidonia, the commander of the Spanish fleet.

The music programme includes a song recital by Yvonne Kenny and Anthony Rolfe Johnson and a classical guitar recital by Carlos Bonell. The festival includes a concert by Rolf Harris and a children's programme organised by Tom Baker, BBC television's Dr. Who. Coinciding with the festival are exhibitions featuring prints by Elizabeth Frink and the work of the Brotherhood of Ruralists. Box office enquiries should be addressed to Renwick Travel, Honiton, tel Honiton 2084.

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Thursday May 25 1978

The gendarme of Africa

THE BITTER recriminations sparked by the Franco-Belgian intervention in Zaïre appear to be dying down. Mr. Leo Tindemans, the Belgian Prime Minister has received massive Parliamentary support for his action and also appears to have made his peace with President Mobutu. France and Belgium are no longer openly criticising each other's conduct of the operation. The bulk of the Belgian forces have been withdrawn and President Giscard d'Estaing has said that the Foreign Legion will pull out as soon as the last white has been raised. But the wider issues raised by the intervention are far from resolved.

Peace-keeping

One immediate consequence of the operation has been to give further impetus to the idea of a joint African peace-keeping force to deal with similar emergencies in the future. Following this week's Franco-African summit in Paris, President Leopold Senghor of Senegal is to sound out other Governments in the area to see if creation of such a force would be feasible. The difficulties, however, are considerable. At political level, such a force would be open to the charge that its main function was to preserve existing regimes in power regardless of their efficiency or popularity, like some latter day Praetorian Guard. It would be most unlikely to win the support of English-speaking West African countries like Nigeria or Ghana. At the practical level, it is hard to see how it would be able to operate effectively in the near future without substantial French help.

With French troops in action in countries like Chad and Mauritania, there is no immediate prospect of the country abandoning its self-appointed role as the gendarme of Africa. The haphazard and often illogical boundaries that the continent inherited from the colonial area are bound to remain a source of potential friction, whether it be in Zaïre or Ethiopia or elsewhere. The Kolwezi episode has demonstrated that whites can be caught up in such inter-African conflicts on a scale that has not been seen hitherto. Most African armies are weak and inexperienced, and, as the Cubans have shown, the injection of even quite a small number of well trained and

Casualties

Nevertheless, France is undoubtedly taking risks. It is usually easier to get into a war than get out of one. There is always the danger of backing the wrong side or sustaining an unacceptable number of casualties. French relations with the Soviet Union have been soured by the Kolwezi operation, and political opposition inside France would grow if the interventionist policy were carried too far. Ideally, as President Giscard d'Estaing keeps repeating, Africa's problems should be solved by the Africans themselves. But if they are incapable of doing so the West cannot close its eyes to the dangers of continuing conflict and instability in such a key area of the world.

Shipbuilding v. shipping

THE NEW president of the General Council of British Shipbuilding, Mr. Swayne, inevitably devoted his maiden speech yesterday to the world surplus of shipping capacity. To the shipping industry itself, this is no new problem. To those outside it, however, the full extent of the difficulties ahead may be only now becoming apparent. Mr. Swayne's predecessor concentrated last year on tankers, where about 100m dwt—a quarter of the world total—is surplus to need already. That problem is aggravated by the fact that only 35m tons are over 15 years old and ready for voluntary scrapping and that there are still another 17m tons of new capacity due to be delivered this year and next.

But it is not only in the tanker sector that there is a dangerous surplus of capacity. Much the same is happening in the dry-cargo sector. Mr. Swayne estimates that, even if no more ships were to be ordered and all tankers and bulk carriers over 15 years old were to be scrapped, supply and demand would not move into balance for several years to come. He points out, too, that the liner sector is now faced with similar problems of over-capacity. They are only made worse, in his view, by the fact that over half the new tonnage on order is for newcomers.

Over-capacity

Shipping is an industry particularly vulnerable to fluctuations in the level of world trade; but the over-capacity responsible for its present difficulties is partly due to another factor, the over-expansion of world shipbuilding capacity. This can be traced back to a variety of causes: over-optimism about demand in the case of Japan, the desire of various governments in the developing world to save foreign exchange by building up their own fleets, and the decision (for whatever reasons) of countries in the Soviet bloc to invest in shipping on a massive scale. These trends have only been encouraged by Community members,

EEC approach

That there will be some feather-bedding at the expense of the taxpayer is, however, a political certainty with unemployment at its present level; the main domestic object must be to strike a reasonable balance and not to help the public sector of industry at the expense of the private. But shipbuilding is only one of several industries in which the EEC is directly concerned because of national subsidies which distort competition. Even within the EEC, the general balance has yet been reached between the need to maintain competitive conditions and the need to dispose of surplus capacity without excessive social costs. But in shipbuilding the issues are clearer than in most other cases. The ECBS, despite its natural fear of bureaucratic intervention, is right to explore in Brussels the linked problems of shipping and shipbuilding capacity among Community members,

High hopes, and high costs, of winning oil and gas from coal

By DAVID FISHLOCK, Science Editor

“WHAT THE Arabs have done is to make chemists think,” remarked an ICI research chemist recently. In Britain the outcome is a suite of novel technologies for converting coal into oils and gases which could make substitute energy prices—as can be predicted—begin to rise steeply again. Yesterday, in an ambitious charter for coal chemists, the Government affirmed its faith in their efforts by announcing plans to build a series of large plants to demonstrate new ways of using coal for the 1990s and after.”

On the basis of estimates made this spring the plan, if fully implemented, will cost about £123m. For this price Britain, in the words of Sir Hermann Bondi, chief scientist at the Department of Energy, will “go outdoors” for the first time with six ideas the scientists have been exploring in the laboratory for several years. From this it will be learned how to feed a heavy and crumbly black rock of very variable composition into chemical reactors. It will be the first industrial step on the long costly road to the coal refineries of the future.

For the past two years a working party under the chairmanship of Mr. Alex Eadie, Minister of State at the Department of Energy, has been examining the future of coal technology, as part of the work of the Coal Industry Tripartite Group. The Tripartite Group itself brings together the coal industry, the miners and the Government in formulating plans for the industry's future.

The question before Mr. Eadie's working party was as much a financial as a technical problem. The coal, gas and process plant industries between them had worked up a number of impressive experiments with coal which gave every hope of being translated into industrial practice. In some cases the scientists could point to collaboration with the U.S. to increase confidence that they were on the right track.

But there were two clear reasons why Britain could not simply leave it to the U.S., with its immense resources for energy research and development, to take the next steps in industrial development. The obvious one is that it would give the U.S. process plant industry a big advantage. Less obvious are the political problems the U.S. Administration itself is having in launching demonstrations of advanced coal technology.

On the other hand, for Britain

it meant a heavy investment, on a scale far beyond the present research programmes of the coal and gas industries, which respectively spent £30m and £25m on research and development in 1977-78. Five of the six UK coal technologies thought ready to “go outdoors” are National Coal Board projects. But the coal industry faces a decade in which demand for its product—and hence its profits—is unlikely to grow, while North Sea resources remain plentiful.

Once North Sea resources begin to dwindle, however, the coal industry must be ready to respond quickly if Britain is to remain independent of energy imports. The working party concludes that the Government itself must step in to finance the several steps of industrial demonstration designed to open new markets for coal. The Government, in principle, agrees with this plan and as a first step will be funding design studies for the first big coal-fed pilot plants to be built in Britain.

The accompanying chart sets out the six technologies—which also have the approval of ACORD, the Government's advisory council for research and development in the energy sector—and the new markets for coal they could open up. The first three, though very different in their chemistry, all share the same two overriding objectives. One is to improve the ratio of hydrogen to carbon in the raw material, for coal with a ratio of about 0.8:1 is at a sad disadvantage as a fuel or feedstock compared with crude at 1.8:1. The other is to make coal more convenient to handle than a crumbly solid.

LIQUID SOLVENT EXTRACTION is one way to liquefy coal by treating it with a hot liquid solvent to yield a thick tarry solution which can then be “hydrogenated” to enrich its hydrogen content. The Coal Board at its Stoke Orchard laboratories in the Cotswolds has been operating an experimental unit producing 0.2 tonnes a day of liquids from medium-rank coal. Its BP-designed hydrocracker both enriches and fractionates the feedstock, to produce a passable (if low-octane) synthetic petrol the scientists call Cresto.

Dr. Joe Gibson, Board member for science at the NCB, delights in telling people that Marie Stopes back in the 1940s was urging people to save coal for its chemicals. The working party has accepted the proposal advanced by Dr. Gibson, for a pilot plant consuming 24 tonnes of coal daily,

to make 13 tonnes of “coal-liquids.” The estimated cost is £16.2m and the project would continue until about 1983. The working party advises the Government to make a major contribution towards the cost of this plant.

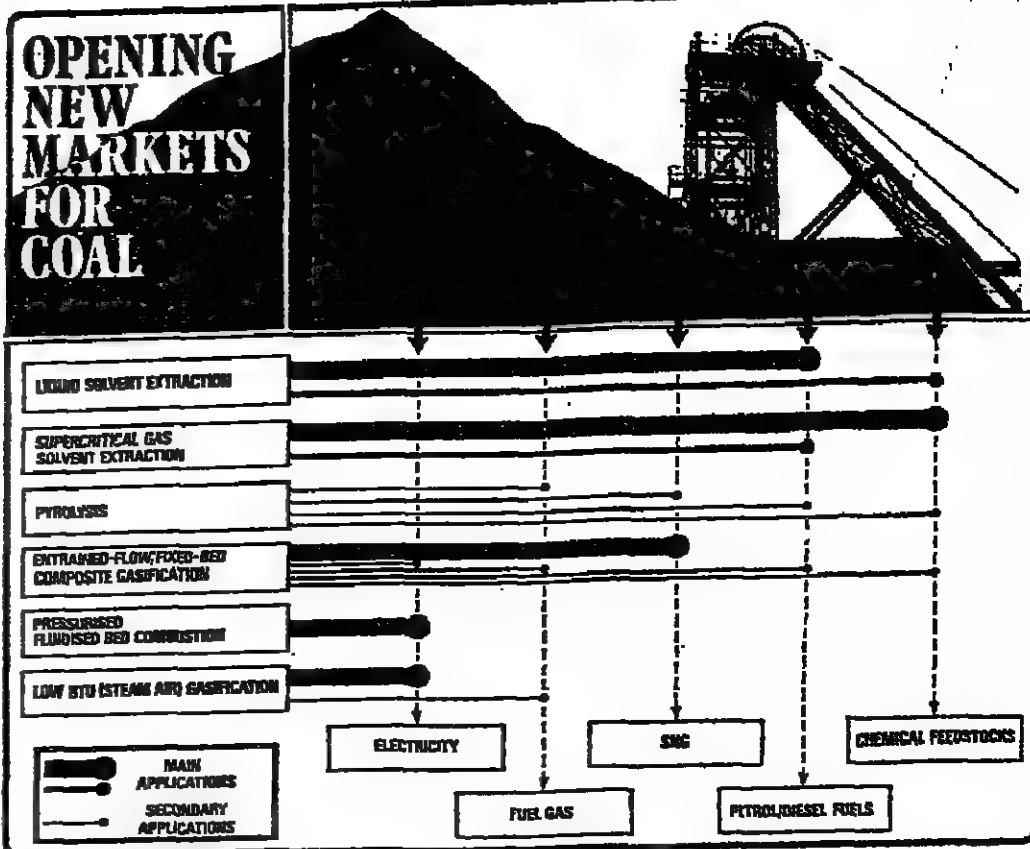
Another novel way of liquefying coal, also invented at Stoke Orchard, is SUPERCRITICAL EXTRACTION, in which a solvent vapour such as toluene is used at temperatures and pressures great enough to “open up” the coal and dissolve the more valuable constituents. For the best part of a year the coal chemists have been experimenting with a plant designed by Woodhall Duckham (part of Babcock and Wilcox) to dissolve about 120 kilograms of coal a day.

The plant Dr. Gibson now proposes would produce eight tonnes a day of coal extract from a feed of 24 tonnes of coal. The cost is put at £14.8m and again the project would run until about 1983. The working party recommends that the Government should make a major contribution towards the cost.

Tripartite project

Pyrolysis is another clever piece of chemistry from Stoke Orchard, in which coal is cooked very quickly by an intensely hot flame in hydrogen at high pressure. The result is a mixture of tars, oils and fuel gases, the precise blend of which can be controlled by the reactor conditions used. It could be a very versatile adjunct to a coal refinery of the future. A recently negotiated tripartite project between West Germany, Britain and Sweden, under the aegis of the International Energy Agency, will take pyrolysis of coal a stage further, at a cost of about £3.25m. But the NCB has proposed that the next step should be a plant burning 24 tonnes of coal a day, costing about £17m, construction of which should start around 1983. The working party's verdict is that this proposal should await the outcome of the German-led IFA experiments.

British Gas, at its Westfield Development Centre in Scotland, has already demonstrated on industrial plant a highly promising gasifier which could form the heart of commercial method of making substitute natural gas (SNG). This could be the means of keeping Britain supplied with gas when North Sea supplies are exhausted. Its “sleazier gasifier”—a Lurgi reactor ingeniously adapted so that the coal ash flows as a



liquid from the reactor, much as slag flows freely from a blast furnace, has attracted considerable interest in the U.S. The Conoco Coal Development Company hopes to incorporate it into a design of a big SNG from-coal demonstration plant to be funded by the U.S. Department of Energy.

The latest idea of British Gas is a modification which would permit the gasifier to burn coal dust as well as lump coal—an important feature because modern gasification methods produce enormous quantities of “fines.” Its idea is to add a new bottom section to its reactor, which would burn fines to heat the gasifier itself, with steam being injected at the interface between the two sections. The new concept is called the ENTRAINED-FLOW FIXED-BED COMPOSITE GASIFIER.

British Gas has proposed a pilot plant at Westfield, consuming 100 tonnes of coal a day, at a cost of £12m. The working party accepted the proposal—which also has NCB support—and recommends that the Government should be prepared to make a substantial contribution towards the cost.

Interest is growing rapidly in new “combined-cycle” methods of generating electricity at higher efficiencies—perhaps 5 to 10 per cent higher than steam-raising cycles today. The Coal Research Establishment has been working on a coal-burning cycle which would gasify the coal with steam and air at a relatively low temperature, so as to avoid oxidation of the gas in a way which could damage the gas turbine. This gas would be burned with more air to drive a high-temperature gas turbine and generator set. Not least of its advantages might be that such powerplants would be built as modular systems, largely prefabricated in factories, like chemical plants.

The NCB proposal for LOW STG GASIFICATION suggests a fluidised-bed gasifier equipped with gas clean-up chemistry, and a gas turbine—a complete powerplant in fact. It would cost about £11.8m and would be a six-year project, starting in 1980-81.

The working party recommends that the support of the

Central Electricity Generating Board—as the main domestic powerplant—should be sought for a feasibility study. The Government should meet the cost of this study. In due time the NCB and the CEGB should submit their joint proposal for a pilot plant.

Last and largest of the six proposals is for a big fluidised-bed powerplant, to succeed the IEA's sponsored experiment in construction at Grimethorpe in Yorkshire, expected to be operating next spring. The PRESSURISED FLUIDISED-BED COMBUSTION project, as put forward by the NCB, would be a power-plant generating 80 MW of electricity, costing £50.3m and spread over eight years. Babcock and Wilcox, commercial leaders in the technology in Britain, have proposed a somewhat more ambitious scheme for a powerplant of 100-200 MW output “to demonstrate to overseas buyers the confidence which Britain has in the new technology.”

The working party's verdict is that the two organisations should prepare a joint proposal for an 80 MW demonstration, for Government to consider, “with a minimum of delay.” No one who has carefully examined the problem remains in any doubt that the new coal technologies—as with nuclear or the “benign and renewable” energy technologies—will require great perseverance and heavy investment in “launching aid” to bring them to the marketplace. One way of stiffening national resolve to persevere with the expense and the problems will be to set up as many projects as possible as international ventures, when launching costs will be shared perhaps by two or three countries.

The technologies are novel and demanding in the operating conditions—temperature, pressure, etc.—required. The feedstock is troublesome to handle and will give rise to a voluminous waste. The scale required is likely to be very large. For a successful coal refinery—“coalplex”—several of these advanced technologies will have to operate harmoniously together. In the cases of liquefaction and gasification, for example, the U.S. and West Germany have an agreement whereby they have designated projects on which they will exchange technical information. By building its own pilot plants Britain could be providing itself with a valuable passport to this exclusive club.

The working party quotes U.S. estimates suggesting that the capital cost of plants manufacturing syn crude or SNG is likely to be very high. For example, they estimate that it might cost £500m to build a plant to produce 50,000 barrels per day of syn crude (synthetic crude), or 200m standard cubic feet per day of SNG. This compares with about £200m-£300m for an oil refinery or a big ethylene cracker today.

A recent study by ICI—the British company which has probably shown greatest interest in the impending return to coal as a feedstock—suggests that the Department of Energy itself is greatly underestimating the capital investment Britain must expect to make. It suggests that the capital requirements for coal conversion by the year 2025 could be as high as 80 per cent of the capital needed for nuclear energy. Adding the two resources together—with nuclear fuel providing most of the electricity by then, and coal most of the liquid and gaseous fuels and feedstocks—the ICI study forecasts an investment of £171bn an energy plant by 2025 at present-day prices. This figure compares with £52bn invested to-day, of which £31bn is in electricity.

One further hurdle should not be forgotten. Coal refineries will be located not on the coast, as are oil refineries, but close to rich pockets of coal. Britain is discovering that its richest reserves of coal often lie under land with no coalmining—sometimes no industrial—traditions. It may be possible to disguise the activity underground, cunningly enough to avoid damage to the countryside. But how to disguise a “coalplex” will be a formidable challenge for the process plant designers of the 1980s.

“Coal technology: future developments in conversion, utilisation and unconventional mining in the UK. Department of Energy, no charge.

MEN AND MATTERS

Youth may not have its fling

The Labour Party's first-ever political broadcast for youth is not due to go out until June 15th. But already it has led to some spirited battles between the Young Socialists and their elders. Yesterday, the Young Socialists met the Labour Party's National Executive Council to try and resolve these. Nick Bradley, the Young Socialists' representative on the NEC, was quite specific: “The Labour Party should be prepared to take a chance, face the anger of the Tory press and make a socialist appeal to young people. Far from harming Labour's electoral prospects, I am firmly of the opinion that this would enthrone our members and supporters and help ensure the return of a Labour government.”

Bradley and his colleagues are worried at the way young potential supporters for the Labour party do not turn out on polling day. They claim that the 2.5m new voters on the lists mainly back Labour. But the NEC has its own worries, not least that Margaret Thatcher may be in a “Red Scare” mood. Matters came to a head last week, with arguments even breaking out between the last weekend of the National Committee of the Young Socialists approved a resolution saying that the disagreement was political. They want to highlight the need for “Clause Four” policies, advocating public ownership of the means of production. They also condemn “clever management of an ailing economy” since this is “guaranteed to bore and alienate the mass of young people.”

However, the NEC put an end to their hopes of exclusively handling the broadcast. It argued that Labour never gives sole control of a party political

broadcast to “one section” of its membership. Now, I hear, there is a consensus on what should be in the programme: “precise details of how this will be presented are still being discussed.” A balancing act, in other words, is in prospect. Which sounds just like Uncle Jim's style.

Missed snip

A warning that “more Mentmore” will soon come on to the market—and their heirs looms dispersed all over the world unless urgent action is taken—was given yesterday by Mrs. Jennifer Jenkins, chairman of the Historic Buildings Council. The council's newly published report chides the government for its behaviour over Mentmore; this is a forthright attitude for an advisory body that reports to Environment Minister Peter Shore. “What happened was a very good example of how not to handle such an offer,” Mrs. Jenkins says. “At £2m, Mentmore was a snip.”



“They're comfortable enough, but would they keep the lower fifth in order?”

She declines to identify several historic houses over which the council sees “a big question mark,” but points out that the aristocracy is selling the treasures at an even faster rate. “Britain's great homes are being drained,” she told me.

Mrs. Jenkins says it is “unsatisfactory” that the Treasury and other government departments have failed to agree a policy to cope with future Mentmores. She and the HBC council—which includes such notables as Professor Nikolaus Pevsner and Sir John Summerson—also think Britain's architectural heritage is starved of funds. “To allocate £5m a year to historic buildings and £50m a year to the Arts Council is a severe imbalance,” says Mrs. Jenkins.

Sister ships

The owners of the Eleni V, whose oil is being fought on the beaches of East Anglia, have a record of putting oil ashore in fairly unusual circumstances. Twelve years ago Nikos Vardinoyannis's Ioanna V managed to break UN sanctions and supply fuel to Rhodesia. Before his death a few years ago, Vardinoyannis used to claim in private that he had outwitted the Royal Navy. According to Greek shipping circles, as the Ioanna V pumped the oil to an underwater pipe, it was replaced with sea water so that the plimsoll line did not change. He also used to boast that he had helped to re-elect President Nixon by contributing to CREEP—the campaign to re-elect the President.

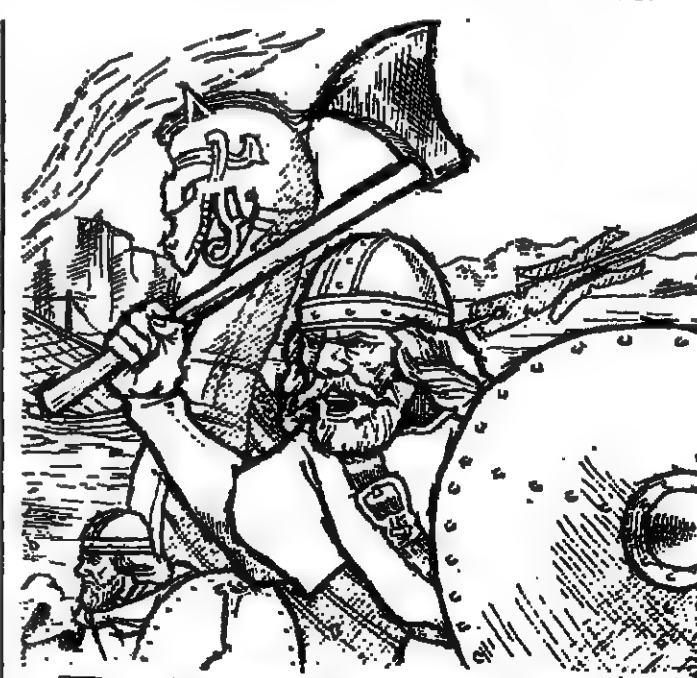
The Varnina Corporation is the managing agent of the Eleni V and belongs to two surviving brothers of Nikos Vardinoyannis. But it is none too keen to publicise that the Eleni V also in fact belongs to the Vardinoyannis family. The Eleni V is Greek

Delayed action

This week an editorial in the Frankfurter Allgemeine Zeitung has discussed the possibility that a current German bestseller is accurately prophesying a future world disaster. The book is called “The Crash of '81” and does not miss in thinking that Paul Erdman has already written his follow-up to his doom-laden “The Crash of '79.” The German publishers of Erdman's book, decided to push the title two years on for the very basic reason that it will give them more selling time. The book's editor, Uwe Grubbe, says there have also been some other “cosmetic changes”: the novel has been slightly modified to incorporate the domestic struggle between Carter and a Republican rival. Out in the Middle East, the book is never quoted at all in the newspapers—its sale is banned, although anybody who matters has read it. Sheikh Yamani has been heard to dismiss it with a joke: “We won in the end, didn't we?”

Animal crackers

The State of Minnesota has just opened a Recreational Interpretive Centre. This is also called “a facility which zoogeographically exhibits in nature-mimicking habitats living things selected for their adaptability to a zoo environment.” In a word, a zoo.



Peterborough—A History of International Currency

Ten centuries ago, Vikings regularly visited Peterborough on their frequent forays across the North Sea. The people of Peterborough minted “Danegeld” to encourage the Vikings to call less often.

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ECONOMIC VIEWPOINT

Brush up on your study of snakes

WHEN the Prime Minister met Chancellor Schmidt at Chequers, a rather vague suggestion emerged that Britain might take part in an undisclosed German plan to stabilise exchange rates within Europe and to meet speculation with joint intervention. In Brussels at the weekend the EEC Commission produced a plan for co-ordinated fiscal action of the sort that Britain has long espoused, which was at least not rejected out of hand by the German spokesman at the meeting, and Mr. Denis Healey spoke a little more forthrightly about British willingness to study some snake-like arrangement. And at Commons question time on Tuesday the Prime Minister told an uneasy Mr. Brian Gould MP—Mr. Gould believes in devaluation—that this was by no means to be read simply as a polite gesture.

Why, should the Germans be so anxious to secure such an arrangement that they are willing at least to contemplate yielding to British and other pressures for a fiscal stimulus which they consider domestically dangerous? Cynically, one might suggest that they are simply trying to secure some reward for a sacrifice which they now see as inevitable. U.S. political pressure on Germany to reflate has recently been far more intense than anything Britain could achieve, and the Brussels plan to raise the Community growth rate to 4 per cent has now the more or less unanimous support of the other eight member states.

A snake defines a zone in which German trade is much less disturbed by exchange rate uncertainties than in the world at large, what is perhaps more important, it is an area in which German profit margins are relatively predictable. From the

German point of view, then, such a scheme can be seen as a constructive outlet for Germany's otherwise sterile but rapidly growing reserves. The weakness of the dollar has until recently made these arguments far more urgently persuasive than before. The German authorities have been faced with an unhappy choice between currency appreciation which has been putting real pressure on margins and competitiveness, and losing control of the domestic money supply through support operations. The recovery of the dollar has relieved this pressure for the time being, and if the dollar remains strong, the question of counter-measures will become largely academic.

Wall Street

This does not seem too likely. Most market experts see the strength of the dollar as rather temporary. A rise in interest rates, and the winter economic pause enforced by the U.S. coalminers, was enough to relieve the immediate pressure, and the dollar recovery provoked a large flow of private investment capital into Wall Street and U.S. real estate.

However, investors cannot switch their portfolios without limit, and there have already been signs that the capital inflow has reached its peak. Meanwhile, U.S. growth has rebounded vigorously, with some disturbing signs of overheating—shortages of products like aluminium, paper and board, and a sharp rise in the wages of unskilled, non-unionised workers. This carries the threat of both inflation and a rise in imports, and unless the Fed under its new chairman is

allowed to show almost unprecedented severity, it adds up to bad news for the dollar. The likelihood is that a weak dollar will be posing problems again before the year is out.

The Germans, therefore, may be pressing their proposals with some urgency again—especially if, as now seems strongly likely, the Bonn summit produces nothing concrete. Europe may be then be drifting into the form of Community protectionism known to the French as "orderly free trade" and others as ganging up on the Japanese. A currency stabilisation scheme would then be seen not simply as a matter of market management, but as a necessary step to preserve liberal trading conditions inside the Community and its main trading zone.

Against this background, it is easy to see why the British Government should be more willing than before to discuss a snake project; and there are strong domestic reasons too. It is not only in Germany that currency speculation has made domestic monetary management very difficult. What is more important, it is now recognised that a counter-inflation policy, so far from being something which hampers growth, is an essential part of any growth strategy: the sharp recovery happening at the moment is almost entirely due to falling inflation, and the main growth strategy for the future relies on a further fall.

There is still some schizophrenia about what all this implies for exchange rate policy. The very sharp fall, which was permitted after the dollar recovered shows a continued preoccupation with competitiveness; but the expensive defence of the rate in recent weeks shows an

equally strong yearning for stability at what is seen as a reasonable level. The intervention seems to speak for the real Mr. Healey. He has been distinctly rude to industrialists who have urged the case for a further depreciation, and told them to control their costs.

For the time being the exchange rate may be seen as a general sanction against cost inflation in the private sector, more effective and less unpopular than official sanctions against individual companies dealing with the public sector. In the longer run, there are certainly some advisers who see that the underlying improvement in the oil balance of payments may make it very difficult to preserve industrial competitiveness even if that is desired again. It is not easy to maintain a very large surplus in a floating rate world without losing competitiveness either through exchange rate appreciation, as the Germans and Japanese have found, or through the kind of monetary inflation which has been so rapid in the OPEC countries. In the longer run, Britain might share the German interest in snake as a means of recycling surpluses and preserving markets.

In this respect a snake arrangement, whatever its technicalities, can be seen as a kind of mini-IMF, financing imbalances and possibly imposing disciplines within a group which strives to maintain stable monetary relations—a second best to the Prime Minister's preferred strategy of general reform, with a refurbished SDR playing the international role of the dollar.

However, the EEC scheme could in some respects be much more ambitious than anything which could conceivably be

agreed at a higher international level. When the Chancellor discussed the possibilities in Brussels, he argued that the tighter the discipline of the snake, the greater must be the provision for the transfer of resources.

This is a highly ambitious phrase. The German proposals, which have yet to be unveiled, seem to be centred on some notion of pooling reserves. This is a transfer of resources of a kind, and makes it possible to finance imbalances under a clean floating system, but it still implies basic balance as a medium-term objective for all those taking part.

Transfers

But there is another approach to the transfer of resources which the British certainly see as more appropriate for tackling structural problems. It is variously known as regional policy (the Heath approach in 1972), adjustment assistance (which may crop up as a feature of "orderly free trade"), or, more plainly, as aid. Mr. Callaghan has included aid to the developing countries in his five point programme for recovery, the thought pattern is consistent.

The fact that there are two clear theoretical alternatives here does not, of course, mean that any Community solution is likely to be simple or theoretically pure. If progress is made at all, it will result in a compromise, with some features of a financing arrangement between independent trading partners, with their appropriate disciplines, and some of a single trading region, in which balance of payments problems are transformed into regional

and structural problems. It will also be abominably complicated. However, the implications of any progress on these lines for domestic management are profound, and relatively easy to grasp. First, as we have already seen, some harmonisation of fiscal policy is essential (and restrictions on the Government deficit will offend far more Labour members than are ready to go to the barricades for freedom to devalue). Co-operation on monetary policy, already institutionalised in Basle, would have to become tighter.

These are the considerations which may offend British patriots. The disturbing fact from the point of view of Bonn is that any snake arrangement, however helpful, is likely to fail apart before long if inflation rates diverge widely, and this implies that German participation implies not so much the risk as the fact of faster inflation, because it is hardly feasible for every other country to slow down to the German pace. There is a theoretical escape from this dilemma through crawling pegs or dynamic bands, under which exchange rates would move continuously at a pre-agreed pace, and would be predictable even if they were not stable. However, although such schemes appeal to technicians, they have no political backing.

If these political difficulties can be overcome, the markets will also have to adapt their thinking, partly in ways which are already becoming familiar. A snake is the apotheosis of dirty floating; and where intervention is heavy, and the money supply consequently unpredictable, domestic credit expansion becomes the touchstone of monetary policy. Indeed, it may come to be realised that our



Mr. Callaghan and Chancellor Schmidt: A joint interview in herpetology (study of reptiles)?

present obsession with the money supply is not a rediscovered truth about human behaviour, but a necessary consequence of floating exchange rates.

The changes described here are radical, and will not be achieved overnight; perhaps they never will be. However, the yearning for stability and orderly financing is strong in many countries, and the neces-

Anthony Harris

Letters to the Editor

Bureaux de change

From Mr. P. Rost, MP.
Sir.—Chequepoint Services has on two occasions in your columns challenged me to produce "evidence" in support of my allegation that some bureaux de change charge unreasonable commission and offer unfair rates of exchange. My criticisms were not specifically directed at Chequepoint, but since the company rejects them as "unwarranted," "publicity-seeking" and "mischievous," I leave readers to judge for themselves.

One dissatisfied Chequepoint customer changed SKr 70 on April 1 at SKr 8.23 when the rate was around SKr 8.45. He was also charged 8 per cent commission, giving him a net £7.30. On a sample day (February 16) Chequepoint at Gloucester Road, London, offered to buy French franc notes at FF 10. A tourist changing FF 1,000 would have taken away £100 less £2 commission = £98. At the Midland Bank nearby the FF 1,000 would have been changed at a rate of FF 8.68, less commission of 20p = £104.15p.

On the morning of May 18 I trailed from Oxford Street to Trafalgar Square by way of Piccadilly. Most bureaux offered to buy French francs at around FF 9 and the highest commission I found was 3 per cent at Chequepoint in Shaftesbury Avenue. In front of me there at the counter was a middle-aged Belgian couple with (French) FF 1,000 were just about to change. I invited them to come outside with me and explained that if they went round the corner to the Midland Bank in Coventry Street they would get an exchange rate of FF 8.77, less 20p commission. They took my advice and received £113.82p net instead of £111.11p, less £5.55p commission = £105.56p net—that they were preparing to accept.

Their surprise and gratitude strengthened my cause. This was their first visit to London; they were aware that bureaux were not "official" banks, but believed that, as the British have a reputation for fair trading, they were under official supervision and so there was no need to spend half their day shopping around for a fair currency exchange.

I accept the argument that bureaux provide a service which side banking has, and I believe there should be a demand to recognise this need. But my evidence confirms that some bureaux provide this service with rates and commission which are reasonably in line, while others do not. Unless either the Bank of England, the British Tourist Authority or the Department for Consumer Protection tightens up on the proliferation of bureaux which do not offer tourists a fair deal, I fear our reputation will suffer. Peter Rost, House of Commons SW1.

Iran's aid to Pakistan

From the Press Counsellor, Pakistan Embassy.
Sir.—In his despatch from Tehran, Andrew Whitely (May 22) claimed that "Iran has threatened to cut off economic aid to Pakistan" if the death sentence on Mr. Zulfikar Ali Bhutto is carried out. There is no truth in Andrew

Treat gold as a commodity

From the Editor Gold Newsletter.
Sir.—Some of your correspondents seem obsessed with the idea of tying the international monetary system to some standard which they hope will give it stability—gold, land and houses have been mentioned. What I think they lose sight of is that money is not wealth, but is a claim on wealth and is ultimately tied up with all production and trade.

Gold, land, houses and, indeed, anything else fluctuates in price quite independently of the monetary system. One of the factors for instance, which makes gold unsuitable for a standard is that in boom years the amount of new gold mined is less in money terms than the growth in international trade. And if, by chance, it was greater, economic problems would still ensue (as Europe found to its cost in the 16th century when gold and silver flooded in from the New World). It is also worth mentioning that there is relatively little gold around. All the gold mined since the world began could be carried quite comfortably in one large ship.

Far better to treat gold as a commodity, as the United States Government and the central banks obviously intend, and let sensible citizens who do not wish to hold the paper money produced by financially incompetent countries buy and trade in it if they so choose. G. E. Lee, 80, Chancery Lane, WC2.

The small firm

From the President, Gosport Chamber of Trade and Industry.
Sir.—The Chancellor of the Duchy of Lancaster, in his paper to the Labour Party TUC Liaison Committee, reported to your Parliamentary page of May 23, seems unaware of the true position of the employee in a small firm. He argues that the Employment Protection Act seeks to give the same cover to workers in small firms as is enjoyed by those in large, well-unionised firms. This large, well-unionised disregard for the fact that the working atmosphere in a small firm is quite different from that in the impersonal ant-hill of a giant factory; a fact of which the average worker is well aware. The person who seeks work in a small firm does so for things the giant cannot offer. From the bicycle and the oven-ready chicken and the hovercraft, small firms have always been in the forefront of major technological developments because many innovative entrepreneurs feel their drive will stultify in a big corporation. Such men are much more accessible to their employee who therefore have far more sense of team-work. The ACAS's position has been reversed of that, for it has

Numbers of unions

From the General Secretary, Engineers and Managers Association.
Sir.—Mr. Mortimer's latest letter (May 18) lets the cat out of the bag at last. Behind the arguments of discouraging fragmentation, etc., lies a policy which, in the engineering industry for example, is blatantly and systematically rejecting the wishes of many thousands of professional and managerial staff who do not want to be forced, as Mr. Mortimer desires, into other unions as tiny fragmented minorities, but want instead to be represented in a trade union which is identifiable theirs.

Although the Advisory Conciliation and Arbitration Service is required to ascertain the opinions of the workers involved in recognition references, as recent cases have shown this is now little more than a charade. Mr. Mortimer's letter explains why. Mr. Mortimer's views about shipbuilding do not bear analysis. He says that "collective bargaining arrangements already exist at all levels through the Confederation of Shipbuilding and Engineering Unions." That is misleading. For the industry's managers, the CSEU is limited to a representative agreement. It can only represent the people it has in membership—about 10 per cent of the total. For other groups of staff the CSEU has sole recognition rights. Mr. Mortimer has persistently sought to blur the well-established differences between these two types of agreement.

Ignoring this distinction therefore, Mr. Mortimer argues that "it would be wrong for ACAS now to encourage fragmentation where collective bargaining arrangements already exist." In practice the ACAS's position has been reversed of that, for it has

Catch 22 in the City

From Mr. P. Wilkinson.
Sir.—In his Lombard column of May 23 Anthony Harris once again provides a shining ray of common sense in the monetarist world we live in. Unfortunately the Chancellor and the Governor are self-confessed monetarists "have defined the rules of the game so that it is not surprising that the City is now enforcing those rules. The City is the self-appointed guardian of the authorities' monetary conscience. The institutions which fund the Government's borrowing requirement can and do call the tune in terms of interest rates and credit restrictions, even at the expense of the real economy or indeed at the expense of already invested funds, in the investment of a marginal increment of cash-flow."

Last year, Mr. Harris pointed out the Catch 22 of monetarism—it can never be right to increase money supply at any stage since it implies an increase in the inflation rate at some future stage. He cannot therefore be really surprised at other examples of the devastating logic of the doctrine. The hero, or possibly anti-hero, of the book when refusing to fly because of personal danger was posed the question "what if everybody thought like that?" He replied, "then I'd be a fool to think any other way." If the funding programme is in the grip of monetarist logic and managers hold their funds from the market, they are simply saying that they would be fools to do anything other. Why be a hero at 8 per cent minimum lending rate when you have to face the truth at 11 per cent minimum lending rate?

The equity market is in the same grip of Catch 22 logic. I am told that dividends are now being paid with real money which is derived from stock relief and not paper earnings derived from actually selling things. This is precisely the principle in the book that there was far more money to be made in not growing or selling alfalfa than in growing it. The authorities can only fund when they need to, and vice versa. Who, apart from Mr. Harris, is crazy enough to question the sanity of the financial world we live in? R. P. Wilkinson, Ocean House, 10-12 Little Trinity Lane, EC4.

Today's Events

Scottish National Party conference opens, Edinburgh (until May 27).
Two-day conference on World Textile Trade—an International Perspective, organised by British Textile Confederation and Textile Institute, opens at Heathrow Hotel. Speakers include Mr. Edmund Dell, Trade Secretary, Viscount Etienne Davignon, EEC Industrial Commissioner, and Sir Arthur Knight, chairman, Courtcouds.
Chinese Government mission arrives in UK to look at agricultural mechanisation (until June 18) prior to visiting Italy, France and Germany.
United Nations special session on disarmament continues.

London Chamber of Commerce business forum on Trade-related Aspects of Education in the Middle East, 90, Cannon Street, EC4, 10 am.
PARLIAMENTARY BUSINESS
House of Commons Debate on the Army, Air Force and Naval Discipline Acts (Continuation) Order.
House of Lords: Tuvalu Bill, Capital expenditure by manu-

facturing, distributive and service industries, and manufacturers' and distributors' stocks (third quarter, provisional). Car and commercial vehicle production (April, final). Brick and cement production (April). Energy Trends publication from Department of Energy.
COMPANY RESULTS
Associated Engineering (half-year). Bass Charrington (half-year). Beecham Group (full year). Caravans International (half-year). Courtoids (full year). ICI (first-quarter figures). ICL (half-year). International Paint (full year). Marley (half-year).
COMPANY MEETINGS
See page 26.

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COMPANY NEWS + COMMENT

European downturn leaves BOC £10m lower

WITH THE EFFECTS OF THE UK gas division strike spilling over into the second quarter and European trade suffering from difficult conditions in the chemicals, metals and machinery businesses, pre-tax profit of BOC International slumped from £28.3m to £18.2m in the March 31, 1978, half-year.

Directors say the strike cost almost £5m. The overall European trading contribution was £11m down at £7.2m. At the end of the first quarter group profit was cut from £16.1m to £10.5m.

In a descriptive letter sent to shareholders yesterday BOC reveals that its \$504m takeover of Airco, the U.S. industrial gases company, has cost it \$3.5m in fees and expenses since September, 1977. Of this sum, Lazard Freres, BOC's advisers in New York, received \$2.5m.

The letter shows that BOC increased the loan facility, which it arranged to finance the purchase of Airco, from \$400m to \$500m. This loan is repayable in two years beginning in December, 1982, and will carry an interest rate 1 per cent above the London Interbank Rate for Eurodollars.

The acquisition of Airco involved quite a struggle between the Boards of the two companies, but the BOC chairman, Sir Leslie Smith, told shareholders in the letter that "these difficulties are now behind us and both sides feel that honour and responsibility are satisfied... with regard to differences put to rest, and on the basis of mutual respect and friendship built during the last five years, there is much we have to do together."

The document also reveals that the SEC is investigating some aspects of the offer in January, 1978, by which BOC raised its stake in Airco from 34 per cent to 49 per cent. The SEC's investigation, aimed at seeing whether there have been certain violations of securities law, are continuing.

Sales in the half were unchanged at £225m, while operating costs increased £6.5m to £273.5m.

Directors say that the trading profit would have been £13m higher if exchange rates ruling at September 30, 1977, had applied in the period.

As well as the extra depreciation incurred through its normal practice of valuing some assets at replacement cost, a further £2.4m provision has been made for depreciation that will arise on the extension of the revaluation period to additional assets. This is designed to progressively bring the depreciation charge to the level calculated on a current cost basis.

The results of Airco have not been consolidated in the period. Airco became a wholly owned subsidiary on May 8.

Adjusted for the rights issue earnings per share are shown down from 3.22p to 2.4p. The interim dividend is stopped up from 1.34p net per 25p share to 1.65p. A 1.70p final was paid last year on record profits of £22.2m.

At March 31 the balance sheet total was up from £818.1m to

HIGHLIGHTS

Second-quarter figures from BOC show recovery in European profits but overall worldwide profits are again lower than a year ago. However Ullmann has shown a £3.6m improvement at the operating stage, while shareholder funds have increased by just over 10 per cent. Lex also takes a look at the Euro-dollar market where increasingly competitive terms are being offered. MEPC is fairly optimistic about its letting programme, and a reasonable recovery is on the cards for the year. Ransome Hoffman on the other hand is suffering from price competition in the bearing market and in the London and Northern figures, with the outcome in line with mid-term projections, while Avon Rubber has been held back by its tyre-related activities and interim profits are 5 per cent lower. Eastern Produce has been bolstered by the strong tea prices while Ultramar has performed in line with market expectations for the first quarter.

Record £0.8m at Brunning

A RECORD £314,673 taxable profit, compared with £167,906 last time, is reported by Brunning Group for the March 31, 1978 year. Turnover rose from £20.98m to £26.11m.

At half-time profit was some £100,000 better at £244,343, and directors predicted a full year advance.

They now say that given reasonable trading conditions they hope the current year's profit will exceed the 1977-78 figure.

Dwek Group restores dividend

Although turnover declined from £5.7m to £4.04m profit of Dwek Group jumped from £50,376 to £179,068 in 1977. Dividend is restored with a 1.08p net per 10p share final, the last payment was a 0.95p interim in 1974.

The result is after tax of £142,433 (£133,544) and extraordinary debits of £37,910 (£36,812).

Mr. A. Dwek, chairman of the company, said that the first quarter of 1978 turnover was ahead of the same period last year.

New product lines introduced in the new year—particularly in the paint and wallpaper divisions—have had a good reception from customers and it appears that the volume of turnover for 1978 should exceed the 1977 level, excluding that amount related to industrial containers disposed of with the injection moulding division.

The company has close status.

share are shown up from 10.3p to 12.5p.

RHP falls £1m so far

WITH ITS principal business in bearings where market trading conditions remained difficult, Ransome Hoffman fell into loss, making it likely that group results for the second half will be ahead of those for the first six months, says Mr. J. Eccles, the chairman. For 1977-78 profit was £54.4m.

Better results from bearings, a continuing good performance by the electrical company MTE and actions to improve Philida's faster subsidiary which fell into loss, make it likely that group results for the second half will be ahead of those for the first six months, says Mr. J. Eccles, the chairman. For 1977-78 profit was £54.4m.

An analysis of turnover and profit by activity shows: with 1977-78 figures in parentheses: bearings £38,906 (£37,023) and £909 (£1,251); electrical £2,392 (£3,173) and £753 (£638); and fasteners £1,883 (£2,317) and loss £152 (profit £103).

MTE continued to expand its market share but Philida's suffered from the combined effect of reduced demand at home and low priced imports, and has had to make some of its workforce redundant. The second six months will however show some improvement and, with delivery schedules firmer, this trend is expected to continue, Mr. Eccles says.

The tax charge of £934,000 (£1,311m) reflects unrelieved losses in Australia where a restructuring operation has been completed and improved performance in this area with consequent tax benefits should be seen in the second half.

With the giants of the industry, SKF and the Japanese, battling it out for market share, RHP can only wait and hope that they will soon pay as much attention to their profitability. This struggle has been going on for 18 months, but RHP says there is now a slight glimmer that the worst is over. As expected, first-half profits are substantially lower and margins have been slashed from 7.7 per cent to 4.5 per cent. With bearing profits 30 per cent lower at £909,000 and losses on the fasteners side, the only good news at this stage is the electrical business, where profits are 27 per cent ahead at £274,000. The shares yield a prospective 10.4 per cent.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding div.	Total for year	Total last year
Allied Leather	2.43	July 3	2.21	2.8	3.45
Allied London	0.6	July 21	0.6	—	1.85
Avon Rubber	int.	July 10	4	—	0.28
BOC Inter.	1.65	Oct. 8	1.34	—	2.14
British Syphon	2.1	July 6	0.7	—	1.39
Brunning Group	2.51	July 25	2.28	3.41	3.5
Cambrian & Gen. Sec. Int.	1.5	June 28	1.25	—	3.5
J. Carr (Doncaster) Int.	0.33	July 13	0.3	—	0.92
James H. Dumas	int.	July 12	1.26	—	2.82
Dobson Park	1.51	Sept. 21	0.53	—	2.13
Dwek Group	0.18	June 26	nil	0.18	—
Eastern Prod.	2.03	—	—	4.45	—
Fidelity Radio	3.53	July 7	3.49	5.13	4.64
W. and J. Glossop	2.53	July 5	2.15	3.78	3.47
Keyser Ullman	0.67	—	0.23	0.67	0.33
Leys Foundries	1.85	July 1	1.03	—	4.3
Lou and Northern	0.49	Aug. 7	2	—	0.98
Manchester and London	0.49	—	0.49	0.98	—
MEPC	int.	July 4	—	—	1.7
Monks Inv.	1	Aug. 2	0.95	1.8	1.4
Portishead and Somerset	2.25	—	1.93	3.14	2.24
Prichard Services	0.31	July 14	0.38	1.49	1.34
Ransome Hoffman	1.44	July 20	1.44	—	3.84
Scott, Heritable Ltd.	0.7	June 28	0.64	1.25	1.22
Time Products	sec. int.	—	1.11	1.63	1.52
Trust Union	2	June 29	1.7	3.4	2.8

Dividends shown pence per share net except where otherwise stated.

ISSUE NEWS AND COMMENT

Dobson park £5m rights - forecasts £13m profit

Dobson Park, the mining equipment and crane manufacturer, is making a £5m rights issue and forecasting a profit increase of a fifth to £13.25m per share, a near doubling of the dividend to 4p per share for the current year.

The chairman, Mr. C. F. Ward, also announced the half-year figures yesterday for the period to April 1, 1978, which show pre-tax profits of £6.33m compared with £4.91m on sales £17.4m higher at £44.05m.

The rights issue is of 7,430,720 ordinary 10p shares at 70p each on the basis of one-for-eight. In the market Dobson's shares closed 7p higher at 52p.

The £5m issue will be used to finance higher working capital requirements and capital expenditure.

The board is planning major capital expenditure over the next two years in excess of £10m. This is necessary, it is claimed, to meet anticipated increase in demand particularly for mining machinery.

First-half profits for mining machinery are up from £2.12m to £2.85m, while engineering shows a significant jump in profits from £1.12m to £1.6m. The company's interim profits are nearly 30 per cent higher at £1.16m, though the industrial products division turned down into the red with a loss of £1.1m compared with £1.31m profit. Property profits were £102,000 higher at £399,000.

Commenting on the first-half results the chairman said yesterday that high levels of production in the mining machinery division contributed to an appreciable increase in sales and profits. Demand continues to be good and additional investment is being made to increase production.

The engineering division has shown a substantial improvement overall. In particular demand for

London & Northern slumps by £3.22m

TURNOVER of London and Northern fell from £227.21m to £163.9m and pre-tax profits slumped from £9.55m to £6.31m for 1977. Results reflect the changed accounting treatment of the group's overseas interests, with a consequent reduction in minority interests, and the worldwide recession in the metal reclamation industry, and disposals made during the year.

Profit for the half-year was down from £3.16m to £1.61m and the directors said that second half results should be similar to the first, and that a resumption of growth was expected in 1978. They now say that profits for the opening months of the current year are ahead of last year's.

Earnings per 25p share are unchanged at 3.2p and the dividend is reduced from 3.25p to 2p, as forecast, with a final of 1.2p (2p net).

Results include attributable foreign exchange losses of £146,000 (profit £2,600,000), these were incurred in the second half which was also affected by losses of £43,000 arising on the cessation of part of the group's house-building operations and the disposal of associated land or £1.25m, receivable in the current year.

There were extraordinary debits of £6,69m (£6,66m) which relate mainly to the disposal of subsidiaries.

The group is involved in construction, building products and construction services, metal reclamation, steel stockholding and fabrication.

There were extraordinary debits of £6,69m (£6,66m) which relate mainly to the disposal of subsidiaries.

London and Northern's share price has remained fairly stable for some time now, having settled down around 27p after the trough of the half year dividend cut. And there are no surprises in the latest figures, which are in line with interim expectations. The profit slide at United Scrap seems to have been halted in the past six months, although profits for the year from scrap metal activities have been halved to around £1.5m. Otherwise the troublesome Bardon housebuilding company is said to be breaking even. Meanwhile, the balance sheet will show net current assets improved from £5.3m to £11m but net borrowings of around £21m have increased by £2m. They represent 137 per cent of the group's stockmarket capitalisation and at present levels the shares stand on a p/e of around 5 and yield 11.7 per cent.

FIDELITY RADIO

The directors of Fidelity Radio were advised at the time they issued their preliminary state-

ment on May 16 that the appropriate rate of ACT to apply to the dividend was 33.67 per cent in view of the proposed amendment to the 1978 Finance Bill.

Subsequently their auditors, after consultation with the Treasury, have informed them that the rate of ACT payable by companies remains at 33.66. The effect of using the latter rate is to reduce the recommended final dividend from 3.82p to 3.84p at per 10p share, making the total 5.12p.

Over £1m by British Syphon

WITH A decline in second-half profit from £304,404 to £231,743, British Syphon Industries ended 1977 at £1,037,531 pre-tax, compared with the previous year's £1,033,531. Turnover increased from £13.95m to £17.07m.

Profit was struck after interest of £301,892 (£306,582), but before tax of £292,819 (£152,874) adjusted for ED 19, and £116,185 (£35,025) extraordinary debits. Stated earnings are down from an adjusted 13.4p to 13.43p per 20p share. As indicated at the time of the September rights issue, Treasury permission has been granted for a final dividend of 2p net, making a total of 3p (3.043p) on increased capital.

Mr. J. Cardley, the chairman, says there was a slowing down in the call-off of scheduled requirements for cooling equipment by brewery customers. The slackness in demand has continued into 1978, and it will dampen performance in the first half of the 1978 year.

The proceeds from the rights issue have been used to finance this build up in stocks, as the board feels its major customers will take their requirements later in the year.

Portsmouth & Sunderland

A SECOND-HALF pre-tax profit of £1.2m compared with £0.72m lifted the April 1, 1978 year's figure for Portsmouth and Sunderland Newspapers up from £1.36m to a record £1.65m on turnover ahead from £10.8m to £12.41m.

Earnings per 25p share are shown as 10.7p (£2p) and the dividend is increased from 2.83p to 3.135p with a final payment of 2.246p net.

To for the year took £1.03m (£0.88m) leaving a net profit of £0.57m (£0.67m).

Hectic start by Eurotherm

BY TERRY GARRETT

FIRST DAY dealings in electronics group, Eurotherm International, the new issue which was oversubscribed 85 times, got off to a hectic start yesterday. Estimates of the level of business varied widely but it looks as if as much as half of the 2.85m shares sold to the public could have passed through the market yesterday.

Prior to the opening of the Stock Exchange's trading floor yesterday morning there was a much larger than usual queue of dealers waiting for the official start to the day's trading. Immediately the "floor" was opened there was a rush of brokers to the dealing pitches of the jobbers, Wedd Durchein and Pinchin Dem-Lux. The shares opened around 145p—a premium of 46p over the offer price and despite a very large turnover they held fairly steady throughout the day, closing at 146p, with extremes during trading of 140p and 149p.

Such was the bustle around the dealers that the chairman of the Stock Exchange, Mr. Nicholas Goodison, came down onto the floor to see the scene.

Last week a quarter of Eurotherm's capital was offered to the public by way of an offer for sale at 100p per share. At this level the company was coming to the end of its first prospective p/e of 91 and yield of 5.3 per cent.

The offer was of 2.85m ordinary 10p shares raising £2.85m for existing shareholders for the selling part of their holdings. When the application list opened on Thursday morning the offer met with a tremendous response with a total of over 30,000 applications putting up £245m. of money for the issue.

Though there will continue to be plenty of trading during the next few days dealers were saying last night that the activity would be much quieter to-day.

At the closing price of 146p the whole company is valued at about £16.8m.

On the basis of the profits forecast of 22m for this year Eurotherm stands on a prospective p/e of 14 and yield of 5.8 per cent.

ALCAN (UK) LISTING

Sufficient holders of the Alcan Aluminium (UK) convertible loan stock have applied for conversion to enable the company to apply for a share listing.

The Stock Exchange required a minimum of only 5 per cent of the equity to be in the hands of the public before granting a listing. This figure has already been passed by several percentage points and the last day for lodging applications is not until next Wednesday.

If the listing is granted, Alcan will be the one major UK Aluminium company in which investors can take a substantial direct stake. If all convertible stockholders convert, 20 per cent of the company will be in British hands.

B. Paradise returns to profit

A return to profitability in the second half of the year to January 31, 1978 means that B. Paradise, the clothing group, finished with a pre-tax profit of £10,265 against a £73,338 loss. However, no dividend is to be paid compared with a 1.65p interim for all the previous year.

At the midway stage, when announcing a deficit of £39,000 (£21,000 profit), the directors said results had been affected by problems arising from very large increases in raw material costs, but necessary action had been taken, which it was anticipated would lead to a return to profit in the second six months.

Turnover for the year was slightly lower at £24.7m (£25.2m), reflecting a reduction in activities which are not sufficiently profitable. The company continued to expand its exports—total non-UK sales amounted to 30 per cent of turnover.

Orders in hand are satisfactory, but a note of caution must be sounded in view of the uncertainty in the general economic situation and the continuing rise in costs, say the directors.

Some major customers have been delaying placing orders because of the current uncertainties. After tax credits of £12,500 (£15,514), net profit was £22,765 (£26,524 loss), representing earnings of 1.8p per 10p share, compared with a loss of 2.1p.

TYSONS (CONTRACTORS) LIMITED

Results for the year ended 31st December, 1977

	1977	1976
Group Turnover	10,809,909	12,157,364
Group Profit before Taxation	497,757	798,172
Taxation	249,320	381,258
Group Profit after Taxation	248,437	404,914
Extraordinary Items	68,375	34,000
Dividend	180,062	370,914
Retained in Group	105,873	105,875
Earnings per Share	4.97p	8.10p

The Annual General Meeting of the Company will be held at the Atlantic Tower Hotel, Chapel Street, Liverpool on the 30th June, 1978.

The proposed First and Final Ordinary Dividend will be paid on the 1st July, 1978 to Shareholders on the Register at the close of business on the 6th June, 1978.

HARRIS & SHELTON GROUP LIMITED

Stability through diversification

	1977	1976
Group Turnover	£35,943,000	£31,277,000
Group Profit before Tax	£3,435,000	£3,243,000
Dividends per share (net)	2.972p	2.661p

* Improvement in sales and profits despite setbacks in some subsidiaries involved in both capital and consumer areas.

* Direct exports rose 25% to £3,693,000.

* Expansion programme has continued giving us increased capacity and improved efficiency.

MEMBERS OF THE GROUP:

CAPITAL GOODS	CONSUMER GOODS
Evans lifts and escalators	Antler luggage
Evertout desks and chairs	Churchill sporting guns
H & S Display and store fixtures	Desmo car accessories
Joseph Billingham engineering	English Rose fitted kitchens
Toone veneered fabrications	Hardy fishing tackle
Wadsworth lifts	Jet Filters
	Webley & Scott shotguns & airguns

Copies of the full Report and Accounts for the year ended December, 1977, may be obtained on application to the Secretary, Harris & Sheldon Group Ltd, North Court, Packington Park, Nr. Meriden, Warwickshire. (Tel. No. Meriden 22990)

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JONES LANG WOOTTON
Chartered Surveyors

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& Northern
by £3.22m

Financial Times Thursday May 25 1978

M & S sales 20% ahead

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

CASH SALES at Marks and Spencer are running 20 per cent up on last year, Sir Marcus Siff, the company's chairman, said yesterday introducing the report and accounts for the year ended March 31, 1978. Food sales, he said, were particularly strong and the company had not been affected by the price war which has reduced most other food retailers' margins.

Sir Marcus, who, in his chairman's statement, criticised the inability of the British textile industry to produce some of the high-quality woven fabrics which the company needed, said that the year had started "rather well" and that the signs were encouraging.

Food sales, which now account for around a third of the company's total turnover, were now running about 10 per cent up on the same period last year in terms of volume and were more buoyant than they had been for a long time. Non-food sales were showing a rather smaller volume increase of around 4 per cent but the directors said this figure concealed the fact that, with more money in their pockets, customers were trading more and buying better quality products.

The company, which is currently carrying out a review of all its internal systems and administrative procedures, is to spend £200m on investment in this country over the next four years. This will result in about 450,000 square feet of new selling space, much of it as additions to new stores. In real terms, this expenditure will not constitute much of an increase on the last few years.

Yesterday, Sir Marcus stressed the importance of the British market to the company. It was a total misunderstanding, he said, to say that the company had to look overseas for growth. There was still plenty of room for expansion in Britain. As well as expanding stores physically, the company intended increasing the range of merchandise it sells. Sir Marcus admitted, however, that some of the new products, like paint, which the company had tested over the last few years had not been entirely successful and were now being withdrawn.

The company's European business was, he claimed, "making excellent progress." Despite the continued problems in Lyons, the French operator was now making a profit. There were still problems in Canada but the outlook was more encouraging than it had been and Sir Marcus said that he was confident it would eventually make a profit.

The company's export business, which doubled in two years, now looks like growing more slowly, Sir Marcus said. This was partly because of the action taken by various customers to restrict imports. Nigeria, the company's biggest export customer, recently introduced measures which meant that Marks would no longer be able to sell many of those goods which it had previously exported there. As a result, it had to revise its projections of sales to Nigeria for this year from \$8m to nearer \$3m.

Without actually referring to the Prime Minister's recently launched Buy British campaign, Sir Marcus said that there were certain kinds of woven fabrics which it was very difficult to buy in Britain. As a result, the company and its suppliers were "compelled to buy a substantial quantity of high quality woven fabrics from high wage, technically advanced producers, mainly in Western Europe, North America and Israel." Much of this, Sir Marcus said, "could, and should be, within the capacity of British firms to produce."

MEPC confident after £4.4m at half time

HELPED BY rental increases from reversions and good progress made in letting vacant premises both at home and overseas since last December MEPC, property investment developer and dealer, maintained its recovery to the levels of taxable earnings seen before 1973, with an advance from £3.97m to £4.4m in the half year to March 31, 1978.

Sir Gerald Thorley, the chairman, expects earnings for the second half to be at least as high as for the first six months but points out that no meaningful comparison can be made with the performance of 1976-77 when profit reached £9.7m, due to the inclusion then of results of the Canadian subsidiary which was sold on September 30, 1977.

The cost of finance for the half-year was £3.6m lower at £12.23m and outgoings on properties and other charges were reduced to £8.42m, against £12.31m.

To date the £12m from the sale of the Canadian company, MEPC Canadian Properties, has been used to repay overseas debts previously untouched by assets. At half-time, the group's liquid position remained strong with cash deposits of £33m, Sir Gerald states.

The directors have started to take advantage of new investment and development opportunities. In the U.S., they have enlarged the group's interests through the purchase of a shopping centre in Las Vegas in association with an institutional partner. In the UK the company has been awarded a small shopping scheme by the Cwmbran Development Corporation and has commenced the refurbishment of Chantry House, which will complete its major development programme in Buckingham Palace Road, London.

MEPC's interim results are at the top end of market targets, and the group is taking optimistically about the development of its letting programme. A third of what was empty in the UK last September has now been let, with Birmingham being the stickiest area, and the response to initial marketing of the Sydney Exchange Centre is apparently encouraging. Earnings this year could reach, say 41p per share, leaving room for a dividend of 31p or a bit more. With rising income on the ordinary conversion of the big outstanding loan could start to look sensible in the foreseeable future. The prospective yield is about 4 1/2 per cent, and the shares look sensibly valued at 12 1/2p.

Francis Industries Limited

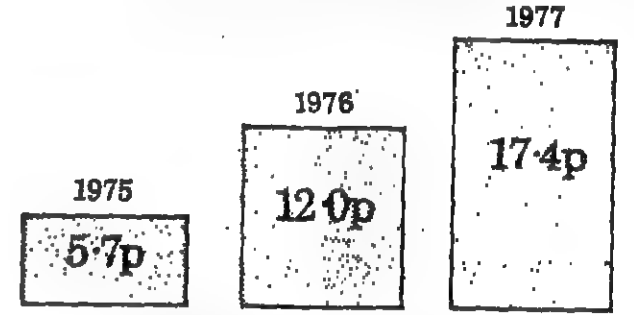
Manufacturers of packaging and engineering products



"And there is more profit growth to come;

- * 1977 pre-tax profits were the highest ever, at £1.6m, up 21% on 1976;
 - * Shareholders' funds are now £7m;
 - * Net overdrafts are completely eliminated;
 - * Dividend is up 30% and five times covered;
- Future profit will be generated by further improving efficiency, and by increasing market share both at home and overseas through internal expansion and through acquisition. 99

Mr. D. M. (Sandy) Saunders, Chairman.



Earnings per Ordinary Share

Copies of the Annual Report and Accounts can be obtained from the Company Secretary, Francis Industries Limited, Magson House, Luddendenfoot, Halifax, Yorkshire.

Pritchard Services ahead £0.5m. to peak £2m

ON TURNOVER of £48.39m improved from £14.200 to £212,100 for the half-year to February 28, 1978. Turnover was unchanged at £2.87m.

Mr. J. J. Mundell, the chairman, reports that as expected, the UK operating companies made a slow start, but a useful contribution from La Cornubia, enabled the group to maintain its progress.

The modernisation programme for its UK companies is proceeding and although the work is inevitably causing some disruption to production, the adverse effect on results has been kept to an acceptable level, he adds.

Stated half-year earnings are 4.84p (3.87p) per 10p share and the interim dividend is lifted from 1.2645p to 1.4125p net, costing £35,282 (£31,592)—last year's final was 1.56p and pre-tax profit £301,843.

Six months progress for Jas. Dennis

After an exchange loss of £22,000 against a £9,500 surplus, taxable profit of James H. Dennis and Co., the engineering concern,

	1977-78	1976-77
Turnover	£48,390,000	£14,200,000
Operating profit	£24,100,000	£14,200,000
Exchange loss	(£22,000)	(£9,500)
Profit before tax	£23,880,000	£14,190,500
UK tax	(£2,870,000)	(£2,870,000)
Foreign tax	(£4,100,000)	(£2,800,000)
Net profit	£16,910,000	£8,520,500
To minorities	(£1,000,000)	(£1,000,000)
Profit dividend	£1,412,500	£1,264,500
Attributable Ord.	£15,500,000	£7,256,000
1 share	155p	72.56p

Matthew Hall

Internationally renowned for Engineering, Mechanical and Electrical Services projects

Increased involvement in energy projects

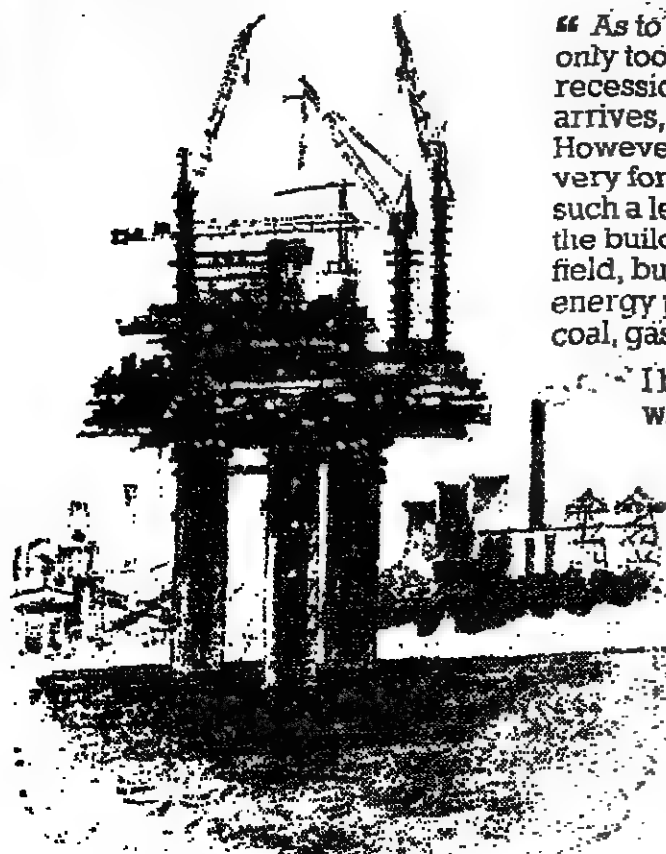
- Profit before taxation for the year to 31 December, 1977 amounted to £8,203,000, compared with £4,620,000 for the previous year—an increase of 34%.
- A final dividend of 5.3216p per share is proposed—the maximum permitted under current legislation.
- The results reflect an increase in the engineering companies' contribution arising from increased activity in energy projects.
- The mechanical and electrical services companies have again produced satisfactory results, due in no small measure to their success in securing an increased proportion of work from the industrial sector. Good prospects continue in this area.
- Overseas, our Dutch subsidiary has improved on last year's performance. Contracts are also under way in Egypt, Iran and Saudi Arabia.

Future Prospects

"As to the future, we know only too well how quickly recession comes—and when it arrives, how slow it is to go. However, we as a Group are very fortunate to be playing such a leading role, not only in the building and industrial field, but also in all aspects of energy production, be it oil, coal, gas or nuclear power."

I believe that our Group, with its broad base, can look to the future, no matter how tough the going may be, with considerable confidence."

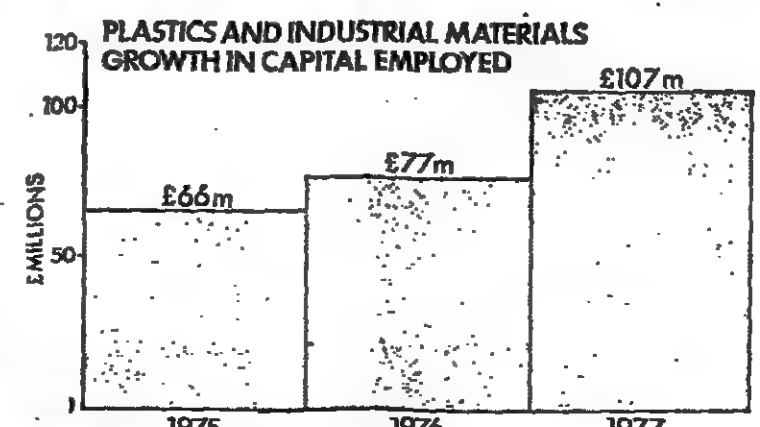
RUPERT SPEIR, Chairman



Copies of the Annual Report available from the Secretary, Matthew Hall & Co. Limited, Matthew Hall House, 101-103 Tottenham Court Rd.,

Report No 1

Plastics: now 41% of our UK turnover



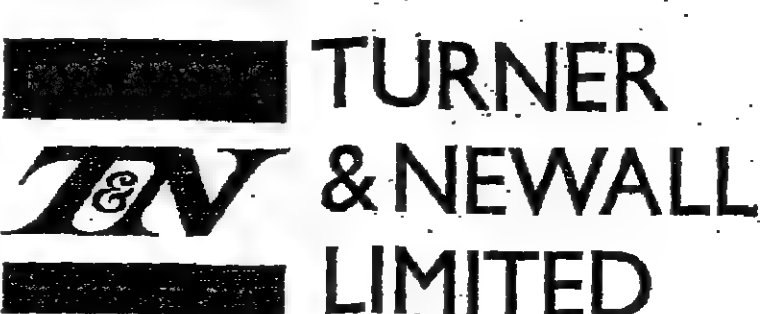
Highlights of 1977 (Plastics and industrial materials)

- * Storeys of Lancaster acquired, adding new consumer markets (wall coverings, home decor and DIY) and increasing existing industrial outlets
- * New £15m plant announced to double PVC resin production
- * 50% expansion of capacity for polypropylene film started—on stream mid 1978

In the past few years, plastics have spearheaded T & N progress. Today, plastics products account for 41% of total UK turnover; we are important exporters to world automotive, engineering, electrical and construction industries; we are one of the major suppliers of glass fibre for plastics reinforcement in Europe; and we have plastics subsidiaries in 11 countries.

We are growing rapidly in plastics, specialty chemicals, automotive components, man-made mineral fibres and construction materials. We are growing in the USA market, as well as continental Europe. In 1977 we invested, expanded and diversified at a more rapid rate than ever before. We are very much more than 'the asbestos giant'.

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Beralt Tin and Wolfram Limited

Extracts from the statement by the chairman, Mr. L. G. Stopford Sackville

I am pleased to be able to report that despite having encountered some difficulties, 1977 has been another successful year. Due principally to the firmness of wolfram prices, earnings for the year were the highest recorded since the company was incorporated just over 50 years ago.

Financial results

The consolidated profit before tax for 1977 was £4,449,000, compared with £2,572,000 in the previous year, and after taking into account taxation of £931,000 and interests of the minority shareholders at £764,000, profit attributable to members amounted to £2,754,000 (equivalent to 24.0p per share) compared with £1,431,000 (equivalent to 12.47p per share) in 1976.

For the purposes of the consolidated accounts, the assets and liabilities of the Portuguese operating company are translated from escudos into sterling at the rate of exchange prevailing on 31 December and the difference which arises as a result of the variation of exchange rates at each year-end is dealt with as an extraordinary item in the profit and loss account. For some years past, when sterling was depreciating in value against many currencies including the escudo, surpluses arose on the year-end conversions and were dealt with in the accounts as extraordinary items amounting in total to some £600,000 from 1973 to 1976. The rate of exchange ruling on 1 January, 1977 was 53.67 escudos to £1. At the end of February, the escudo was formally devalued but it continued to depreciate against the strengthening pound and at 31 December, 1977 the rate ruling was 75.11 escudos to £1 representing an overall fall of some 30%. As a result, an exchange deficit of £1,700,000 has arisen and been dealt with as an extraordinary item in the consolidated profit and loss account. No transfers to reserves were made in 1977.

Dividends

The Portuguese company has declared a dividend of 90 million escudos from its 1977 earnings (compared with 52.7 million escudos in the previous year) and consent is being sought for remittance of our 80.5% share in full. On receipt of the funds in the United Kingdom, the Board will consider the declaration of a dividend. The amount payable will depend principally on the rate of exchange prevailing when the funds are received and the fiscal conditions applicable, and it is thus not possible to forecast the rate of dividend that could be paid; however if the company's full share were to be received now it would permit a distribution of approximately 4p per share.

Production

Production of concentrates in 1977 totalled 1,287 tonnes of wolfram, 1,176 tonnes of copper and 58 tonnes of tin compared with 1,597, 1,441 and 75 tonnes respectively in 1976. This was the fourth successive year of decline in production levels and was particularly disappointing coming at a time when not only were wolfram prices favourable but when Portugal could ill afford to forego the foreign exchange which higher production and sales would have brought. The decline in 1977 was due in part to a lower grade of ore fed to the mill but the main reasons were difficulties associated with absence from work underground, recruiting and training, and industrial unrest.

Wages and prices throughout Portugal rose sharply during the year and as a consequence operating costs increased significantly. Effects of the cost increases, fortunately, were compensated by firm wolfram prices and by higher escudo revenue derived from export sales following devaluation of the escudo.

Sales

Sales of wolfram concentrates totalled 1,308 tonnes during 1977. Although there were some significant fluctuations in the market price of wolfram during the course of the year, prices in general held firm. In January 1977, the Metal Bulletin higher quotation price opened at US\$147.50 per metric ton unit and had risen to US\$186.50 per unit by June. The price declined during the summer but rose again sharply in the autumn closing in December at

Copies of the chairman's statement, together with the annual report and accounts, may be obtained from the registered office of the company at 40 Holborn Viaduct, London EC1P 1AJ, or from the transfer office at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

The 50th Annual General Meeting of Beralt Tin and Wolfram Limited will be held at 12 noon on Tuesday, 20th June, 1978, at the Connaught Rooms, Great Queen Street, London WC2B 5DA.

US\$176.00. The average quotation for the year was US\$174.76 per unit.

Significant factors affecting the tungsten market during the year included firm demand from Eastern Europe coupled with controlled supply from China. Releases from the General Services Administration's stockpile in the USA continued with offerings each month of tungsten in various forms amounting to 700,000 lbs of contained tungsten equivalent to nearly 10% of total monthly world production. The tungsten contained in each of these offerings is approximately equivalent to the tungsten content of some 530 tonnes of concentrate produced by Beralt. Not all the GSA material offered was disposed of however, as total sales for the year amounted to 2,200,000 lbs.

The Primary Tungsten Association

Towards the end of 1977, the Primary Tungsten Association, of which the Portuguese operating company is a founder member, was admitted for the first time to formal UNCTAD meetings as a body with consultative status. Under the umbrella of UNCTAD a greater spirit of co-operation between the producing and consuming sides of the industry has been fostered and as further meetings are scheduled to continue I am hopeful that this will lead eventually to a better understanding of the complicated structure of the industry.

On 26 April, 1978 it was announced that the Primary Tungsten Association and the Tungsten Users Index Group had agreed to establish a new tungsten price index to be known as the International Tungsten Indicator. Commencing in mid-July this new index will be derived from the transaction data reported to an independent collector by subscribing members of both groups which represent the producers and consumers of tungsten. Our Portuguese operating company will supply data for the new index.

Capital expenditure

I referred in my statement last year to work which had commenced on the new inclined shaft and ancillary installations. Work on the scheme was suspended from May to October, and all labour was transferred to stoping operations with a view to maintaining production. However, work resumed in October and is now progressing satisfactorily and is expected to be completed in the first quarter of 1981.

A number of studies were carried out during 1977 into improving the volume of production by means of further mechanisation and early in 1978 a decision was taken to return to room and pillar mining and to introduce trackless equipment. Capital expenditure for 1977, including expenditure programmed for 1978, but carried forward into 1978, is expected to amount to approximately £2 million.

Outlook

A number of schemes and proposals have been examined during the course of the year into ways which might help to protect the purchasing power of the operating company's liquid resources held in Portuguese currency which at the exchange rate ruling at the end of the year amounted to the equivalent of approximately £6.9 million. Discussions in regard to some of the proposals are continuing. Against a background of a rising cost of living throughout Portugal, the labour situation at Panasqueira remains unsettled. All employees were awarded a 10% wage increase from 1 January, 1978 and the company has offered to consider a further increment when legally permissible. Despite this, however, disruptive industrial action was taken which adversely affected scheduled production levels in February and March.

Since the beginning of the year the wolfram price has fallen from US\$176.00 to a level of US\$145.00 on 28 April. I offer no predictions as to how the market will perform during the remainder of the year, although it is of note that supplies from the West have been increasing as new developments in a number of territories come on stream and that there are indications that releases from the General Services Administration stockpile could be higher in 1978 than those in 1977. On balance, however, provided that there is no serious disruption of activities at the mine and given a reasonably stable market, I think 1978 will be a satisfactory year for the company.

2 May, 1978

Keyser Ullmann turnaround aided by property sales

FOLLOWING A £6.7m turnaround on the operating side to a 10.8% profit and the release of £2.5m from provisions, there was a £4.36m pre-tax profit at Keyser Ullmann Holdings for the March 31, 1978, year compared with a £3.3m loss previously.

In 1976-77 there was a £6m provision for bad and doubtful debts, etc., a £0.5m exchange loss, and a £4m finance cost provision was used.

Mr. Derek Wilde, the chairman, says £20m cash was received on the sale of property in the year, and this process of converting low-yielding assets into money which can be employed at a full rate of return in its London banking business accounts for a large part of the improvement.

The lower level of interest rates and the consequential reduction in the cost of carrying its unrealised property portfolio also had its effect.

The £6.7m operating profit in the second half of the year exceeded the expectations of directors and reflects the help received from exchange rate and interest movements. In the absence of these special factors Keyser will do well to achieve similar results in the first half of the current year, he says. But the improved position of the group will allow it to take advantage of opportunities previously denied it.

Deposits are being placed with the company more readily and although it continues to have stand-by facilities with the clearing banks it has not made use of them since the middle of last year, and is in a comfortably liquid balance sheet.

During the year its Swiss bank, Keyser Ullmann on Suisse, again improved results, and the figures look even better in sterling terms following the 50 per cent fall in the value of the pound against the Swiss franc between March in

1977 and 1978. Housebuilding activities through the Dennington companies were virtually brought to an end and the losses previously suffered have been eliminated.

Southern and Redfern, the remaining investment of the Western Group, produced record profits of £200,000 in the year.

Property sales at prices above the written down book value reached the directors' target, with a resulting improvement in asset values shown by the £3.3m increase in shareholders funds to £35m.

In the current year property sales of some £20m are expected. Elsewhere, however, the demand for borrowing remains high and the group has been unable to wholly replace with long lending the advances repaid following the sale of property held as security.

At least as advances and debtors were down from £141.85m to £129.41m, while current deposit and other commitments rose from £173.74m to £177.05m.

Cash in hand, balances at banks and at call and short notice totalled £31.50m against £33.77m at short-term deposits with banks and local authorities were £32.5m compared with £7.8m a year ago.

The result for the year is subject to tax of £0.31m (£0.29m). Turnover, excluding banking and life assurance activities, was £5.39m (£7.95m).

Earnings per share are shown at 7.5p (10.5p loss), and the dividend is up from 0.325p to 0.67p net per 25p share.

Mr. Wilde says he hopes that the legal proceedings taken against the company in respect of the December 1972 purchase of shares in Cannon Assurance will soon be decided. Terms of settlement have been agreed, subject to approval of the courts.

In Canada and the Bahamas. The effect will be to confirm its title to and increase its holding in Cannon from 37 per cent to 66 per cent of capital, at a total cost of some £2.5m.

In the year its subsidiary Hoechst Trust achieved turnover of £3.51m (£2.83m) for a loss on non-banking interests of £21,000 (£280,000).

Its share of profits of an associated banking company was £251,000 compared with an £809,000 loss and its share of provisions no longer required was £1.57m (£2.95m provision). With a tax credit of £72,000 (£1,000) and an extraordinary credit of £30,000 (£103,000 debit) the result emerged as a £1.8m profit compared with a £2.17m loss.

Margaret Reid writes: Mr. Wilde said yesterday of the group's liquid position and the small decline in its advances over the past year: "We're doing more of that and we are now aiming to be a bank oriented towards the finance of British industry." He added, however, that in the present competitive climate it would take time to expand such lending in appropriate ways.

The group, which required some £5m of loans from the big banks' lifeboat in the secondary banking market in 1974-75, but which dispensed with such help altogether two years ago when it fixed up a standby facility of some £35m from several local banks, has not used even this standby for a good many months past. The standby facility still exists, as Mr. Wilde made clear in his statement, though it is believed that it has now been reduced to a smaller total in the region of £20m-£25m.

Indonesian boost for Ultramar

LARGELY DUE to its Indonesian operations, Ultramar Company lifted taxable profit from £3.92m to £9.64m, in the first three months of 1978 and Mr. Campbell Nelson, the chairman, expects the group to do considerably better at full time than last year despite an anticipated continuance of adverse results in Quebec. For 1977, profit was more than doubled from £12.32m to £24.71m.

California refining and marketing and the UK marketing also produced excellent results in the first quarter while the Newfoundland, Ontario, Western Canada and Caribbean activities made a modest contribution to profit. There was, however, no profit from the Quebec refinery and marketing operation because of persisting adverse market conditions but the refinery functioned well with average daily output of up to 10,000 to 15,000 barrels a day.

The group's financial position, which has benefited from recent good operating results, has been further strengthened by the U.S.\$75m loan raised by the Indonesian subsidiary and secured on the cash flow from Indonesia without other collateral or guarantee by Ultramar. As a result the U.S.\$23m loan raised in March, 1978, which carried a number of restrictive provisions as regards trading operations and dividend payments, has been paid off, together with loan stock issued in 1980.

Mr. Nelson says the company is left with a substantial addition to its working funds for operations outside Indonesia including the UK North Sea, where, as known, it has formed a new exploration group involving PanCanadian Petroleum and Houston Oil and Minerals Corporation.

Including £25.75m from the Indonesian loan total cash flow for the first quarter jumped from £3.92m to £24.71m, an increase of capital from £3.3m to £27.14m.

Long-term loans at March 31 amounted to £81.77m (£86.63m). Sales for the first three months reached £134.3m (£104.9m) and there was an increased net exchange loss of £1.86m, compared with £802,000 last time. Earnings per 25p share emerged at 11.3p (4.8p) basic or 10.2p (4.5p) fully diluted.

At the exchange rates prevailing at the close of business on May 19, the adopted first-quarter net earnings would have been about £1.4m higher, the chairman adds.

Financial results
1978 1977
Sales £134,300 £104,900
Trading profit £12,792 £7,725
Charges £1,149 £1,476
Pre-tax profit £4,643 £6,249
Current tax £1,119 £1,476
Deferred tax £1,719 £732
Net profit £2,405 £4,741
Exchange loss £1,541 £211
Pretax dividend £25 26
Dividend £18 18
Attributable £231 £258
Companies' amortisation, depreciation, depletion and amounts written off

Comment

Ultramar's first quarter lives up to market expectations of a considerably better growth in both cash flow and operating profits than in 1977. Analysts have forecast post-tax profits around £20m and the result is consistent with these hopes. The growth comes from the group's operations and the group's commitment to the income generated is being adjusted to reflect an equal annual charge for debt service over a 12-year period, rather than the irregular repayment schedule established for the loans.

The Californian and UK marketing operations are producing good results. But the problem is the Quebec refinery where low prices for residual fuel oil are causing losses. The position for the rest of 1978 does not look too happy but in the longer term a decision to go ahead with construction of a cracker could improve the

Quebec profit picture. The market reacted to the result by pushing the shares up to 289p but they slipped back to close at 284p—a gain of 4p. The p/e ratio, assuming net profit of £20m, is 5.5.

Today's company meetings

Associated Portland Cement, Dorchester, 12.30. Bored (William), Glasgow, 12.30. Beauford, Huddersfield, 12.30. Bellair Cosmetics, Winstanley, Cheshire, 11.30. Benalla, Kingston upon Thames, 12.30. Cadbury Schweppes, Connaught Rooms, W.C.2. Carpets Intl., 14-15, Berners Street, W.12. Fogarty (B.), Boston, 11.30. Freeman (London S.W.9), Connaught Rooms, W.C.2. Grafton Warehouses, Brimley, 15. Harris and Sheldon, Warwick, 3. Hoskins and Horton, Birmingham, 12.30. London Brick, Connaught Rooms, W.C.2. Low and Bonar, Dundee, 12.30. Macdonald, 12.30. Marshall (Thomas), and Co. (Lxley), Sheffield, 12.30. Newarthill, Imperial Hotel, W.C.2. 12.30. Offex, Stephen Street, W.11. Phoenix Assurance, E.C.4. 12.30. Prudential Assurance, 142, Holborn Bars, E.C.1. 12.30. Quick (H. and J.), Manchester, 11.30. Reckitt and Coleman, Connaught Rooms, W.C.2. Resaver, Chemicals, Harlow, Essex, 12.30. Sharpe and Fisher, Cheltenham, 12.30. Smith (W. H.), 78, Shoe Lane, E.C.2. 2.30. Taylor Pallister, Newcastle upon Tyne, 11.30. Tern-Consulting, 11, Tottenham Road, Tottenham, N.12. Whitington Engineering, Chesham, 12.30. Willis Faber, Ten Trinity Square, E.C.4. 11.30. Wilson (Comptrol), Northampton, 12.30. Wood (Arthur), Stoke on Trent, 12.30.

Fire and flood claims hit Sun Alliance

FOR Sun Alliance and London Insurance Group the year has started with a particularly heavy writing load on the home account, stated Lord Aldington. These arose from heavier than usual claims arising from floods and severe weather, with in addition more and larger than usual fire claims in January which must be attributed to the firemen's strike. The number of motor claims had also increased probably because of the bad weather.

He pointed out that it was inherent in an insurance business that from time to time heavy claims will be made upon underwriters as a consequence of extraordinary events.

Mr. F. L. Garner, chairman of Pearl Assurance reported that business in the industrial branch was now running satisfactorily following last year's protracted industrial action by agents. There had not been any excessive lapsing of surrendering of policies as had been feared.

Although new business started slowly this year because of the need to concentrate on clearing up after the action and credit, business had picked up and new premiums for the year were slightly above this for last year over the corresponding period, he said.

In the ordinary branch, new business figures were very good indeed with new annual premiums 60 per cent higher—more than three times the rate of expansion for the industry as a whole. Unlinked business was also enjoying success.

He warned that it was doubtful whether the general branch would contribute positively to profits this year, because of the adverse claims experienced so far.

On the other hand revenue payments to the Exchequer exceeded Government disbursements, although this factor was not as large as first expected, the interbank market overnight loans opened at 81.83 per cent and remained fairly firm at 74.31 until the early afternoon, but fell to around 2 per cent at the close.

Discount houses paid up to 81 per cent for secured call loans, but closing balances were found at 83.5 per cent in places. In the interbank market overnight loans opened at 81.83 per cent and remained fairly firm at 74.31 until the early afternoon, but fell to around 2 per cent at the close.

reasonable degree of confidence yesterday that M.L.R. will remain at 9 per cent this week, and discount houses buying rates for three-month Treasury bills were slightly easier. Rates still point towards a possible rise in M.L.R., but this is mainly an indication of the defensive attitude adopted by the houses, which is unlikely to change while fears about monetary policy dominate sentiment.

Day-to-day credit was expected to be in short supply yesterday, but probably finished in surplus. There was no intervention from the authorities.

Banks brought forward surplus balances, and the market was also helped by substantial net

maturities of Treasury bills.

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RHP

British to be precise

RHP FIRST HALF RESULTS

- With margins under pressure, profits on bearings declined significantly.
- Both sales and profits advanced in MTE.
- Philidas second six months will show improvement.
- Positive cash flow achieved.
- Second half results likely to show improvement.

RANSOME HOFFMANN POLLARD LIMITED

Unaudited results of the group for the 26 weeks to 31 March 1978

	26 weeks to 31 March 1978	26 weeks to 1 April 1977	52 weeks to 30 Sept 1977
Turnover	£44,695	£42,518	£40,000
Profit before interest	2,129	3,268	6,699
Less: Interest payable	528	650	1,255
Profit before tax	1,601	2,618	5,444
Dividends per share	1-44p	1-44p	3-84p

© 3162 160

Sunbeam Wolsey Limited

STRONG RECOVERY CONTINUES

	1977	1976
Group Turnover	£30,936,000	£14,954,000
Profit before Taxation	915,293	457,921
Earnings per Share	8.52p	3.29p
Dividend per Share	2.7375p	1.725p
Dividend Cover (times)	3.1	1.91

The Fiftieth Ordinary General Meeting of Sunbeam Wolsey Limited was held on May 24th at Millfield, Cork.

The following are extracts from the circulated statement of the Chairman, Mr. C. O. Stanley, C.B.E., LL.D., F.C.G.I.:

A further significant improvement was achieved in 1977. Exports from Irish-based companies increased by £2.5m, and this, together with sales from U.K.-based companies, now represents 50% of our total turnover and it is our intention to increase further our export business.

During the year we invested £280,000 in new plant in various operating companies and have now approved a further £381,000 for new plant. We fully recognise that it is essential to operate the most up-to-date equipment and machinery if we are to continue to compete internationally.

Sound financial base
During the past year we have been concerned to conserve financial resources and consolidate the strength of the Group Balance Sheet. Net bank and short-term loans and medium-term indebtedness are £98,000 against £109,000 last year. We continue to regard maintenance of the strongest possible Balance Sheet position as being of paramount importance. With this sound financial base we shall retain the means to expand within our existing Group of Companies or by acquisition as opportunities occur.

The future
It is difficult to predict the profit for 1978 with any degree of certainty. Government efforts to create a better business climate still need to show definite results. The new Multi-Fibre Agreement perhaps offers, at best, a less rapid rate of deterioration in trading conditions within the E.E.C. than occurred over the past five years. The international scene is looking even more difficult and if we are not in a position to compete internationally we cannot be successful. Nevertheless, and in spite of these problems, we are confident that we can still further improve our position during this, our Golden Jubilee Year.

BOOSEY & HAWKES

MUSIC PUBLISHERS AND MUSICAL INSTRUMENT MAKERS

	1977	1976
Turnover	£17,900,000	£17,000,000
Profit before tax	£1,961,000	£2,127,000
Earnings per share	24.6p	24.5p
Ordinary dividends	5.075p	4.591p

- * Overseas earnings hit by exchange movements.
- * New ventures in organs and pop music.
- * Music royalties buoyant.
- * Dividends up by maximum permitted amount.

Comments by the Chairman, Mr. H. P. Barker:

"Music industries are suffering from hesitant demand worldwide and only a moderate year is forecast for 1978. The company's strong financial position will enable us to develop new business opportunities."

Copies of the 1977 Report and Accounts are available on request from the Secretary, Boosey & Hawkes Ltd., 295 Regent Street, London, W1R 8JH.

PORTER CHADBURN LIMITED

Improved results in difficult year

Results at a glance		
Year to 5th January	1978	1977
	£000	£000
Turnover	12,946	11,054
Profit before Tax	1,272	1,130
Ordinary Dividends	177	153
Profit retained	514	397
	p per share	p per share
Earnings per Share	21.20	16.98
Net Dividends	5.27	4.72
Gross equivalent dividends	7.986	7.26

- * The improvement in sales of 19% and in pretax profit of 13% was not achieved without difficulty. Contributors to our profit improvement have been Porter Chadburn (Plastics), A. H. Senar, and Porter-Lancastrian's brewery equipment divisions.
- * Continued growth in the current year will depend much upon the maintenance of the investment programmes of the brewing industry which show some signs of slackening. I shall, however, be disappointed if the year as a whole does not provide a satisfactory result.

Highlights from the Statement by the Chairman, D. C. Bamford, C.B.E.

Operating subsidiaries

PORTER-LANCASTRIAN LTD.	PORTER CHADBURN (PLASTICS) LTD.
CHADBURN BLOCTURE LTD.	THE CLAYTON CRANE & HOIST COMPANY LTD.
CHADBURN (M.D.S.) LTD.	A. ROBINSON (ENGINEERING SERVICES) LTD.
A. H. SENAR LTD.	

A review of the activities of operating subsidiaries is included in the full Report and Accounts and Chairman's Statement which may be obtained from the Secretary:

PARK LANE · BOOTLE · MERSEYSIDE · L30 4UP

U.S. invasion continues

BY ANDREW TAYLOR

Dana Corporation's bid for Turner Manufacturing, announced on Tuesday, marks the latest in a series of moves by the U.S. commercial vehicle manufacturer into the UK commercial vehicle industry.

Three of the top four commercial vehicle manufacturers in the country are U.S. owned—Ford, Chrysler and Bedford (General Motors)—while the satellite components supply industry has been increasingly penetrated by American companies over the past decade.

Companies like Rockwell, Eaton, Cummins and Perkins, which is Canadian owned, are now taking a major slice of the UK commercial vehicle components market with only British Leyland and Rolls-Royce Motors as the major home-based competition.

The American companies have used their U.S. success as a spring board into Europe where the potential for expansion is far greater than in the United States.

Dana, which already has a 35 per cent stake in Turner, and also holds 69 per cent of automotive parts distributor Brown Brothers, has perhaps not been as quick to develop its European interests as have some of its competitors.

motive companies, but it clearly regards its bid for Turner as an important step in the right direction.

It seems likely Turner will now provide the base for Dana's ambitions in Europe, which the

U.S. group split out at the time it gained a UK quote for its shares at the beginning of this year. It has already made some acquisitions in France and Switzerland but nothing on the scale of the Turner deal—judging on the recent level of Turner shares it could cost Dana at least £12.5m.

Dana, claims to be the largest independent proprietary manufacturer of motor components in North America with net income last year of \$108m (£90m) and sales of \$1.8bn (£900m). It acquired its 35 per cent stake in Turner in 1971 for £5.5m.

Relations between the two groups have been close with Turner manufacturing Dana's Spicer range of clutches and Dana's power take-off systems. It has recently begun limited production—supported by imports—of the Spicer SST heavy duty gear boxes used by the heavy-weight end of the commercial vehicle market.

The SST is a major plank in Turner's plans for the future, with British Leyland understood to be planning to produce gear boxes for its heavier range of trucks. The UK company also has a contract to supply the SST to Vauxhall.

In addition, Turner is currently planning a 50m expansion to launch a new range of gearboxes and Dana's extra financial muscle at this time will clearly be welcome.

Meanwhile it looks as though the bid itself should face few problems if, as seems likely, the Dumbell family (which is thought to control around 30 per cent of the equity) is committed to accepting Dana's bid.

Turner's sales are largely in the truck and tractor markets with the former taking around 60 per cent of group sales, which last year rose to £23.4m while profits increased almost 30 per cent to a record £3.4m.

But profits in the current year are unlikely to be as good. Former chairman, Mr. S. V. Lancaster, who retired in February, then warned shareholders of a moderate reduction in profits.

There have been problems with the currency crisis in that country, while disputes at outside suppliers and the collapse of the UK tractor market have added to the difficulties.

Dana's ambitions in Europe stretch beyond the automotive industry and it has repeatedly stated its plans to build an industrial base here. As part of this overall strategy the U.S. group this week announced that it had agreed a £1.2m deal to acquire Posidra, a Basingstoke company manufacturing computer linked control systems for machine tools.

But it is Dana's increased involvement in the UK commercial vehicle industry that creates its most interest as yet another British company in this field now appears destined to fall under full control of a U.S. company.

MINING NEWS

RTZ gives notice of reduced profits

BY PAUL CHIESBRIGHT

FIRST-HALF PROFITS at Rio Tinto-Zinc this year will be lower than those in the same period of 1977, Sir Mark Turner, the chairman, warned shareholders at the annual meeting in London yesterday. But he held out the possibility of an improvement in base metal prices later this year.

During the first six months of 1977, RTZ's earnings were £42.3m, and the earnings rate was largely maintained in the second half with the total for the whole year at £82.5m.

The adverse factors hurting the group were predictable. Copper and zinc prices were very depressed in the first quarter although they have improved since.

The results for AM and S, the lead and zinc company, will be bad, Sir Mark stated. Those of the group's three copper mines—Padish, Louisa and Copperville—will be lower, although they were profitable in the first quarter.

Hanovers, the Western Australian iron ore producer, is having what Sir Mark called "a difficult time" as a result of the steel industry recession.

The other side of the coin is Sir Mark's assessment that business elsewhere is in good shape and "results in Canada, the U.S. and the UK are likely to be as good or better than last year." He sees some improvement in the U.S. economy, which could hold out the possibility of higher base metal prices.

The group is protected by the diversity of its products, and its geographical spread. Thus last year, the importance of copper to the annual figures diminished. It dropped to fourth place as a source of earnings and was replaced at the top by aluminium.

In fact the group's copper production will soon increase. Sir

Mark said that the Woodlawn project in Australia, a joint venture with Phelps Dodge of the U.S., is virtually complete. Annual capacity is 10,000-12,000 tonnes of copper, 15,000-21,000 tonnes of lead and 68,000-73,000 tonnes of zinc, all in concentrates.

Another expansion at a similar stage is the growth of mining capacity at Rio Algom's Quirk uranium mine on the Elliot Lake property of Ontario, but mine expansion will take several more months.

Yesterday the RTZ share price rose 5p to close at 215p.

Beralt tempers its optimism

A SATISFACTORY year is expected by Beralt Tin and Wolfram, the London company with Portuguese mining interests, provided the market remains stable and there is no disruption at the mines, according to Mr. L. G. Stopford Sackville, the chairman.

But in his annual statement, published today, he points out that the wolfram price has fallen this year from \$170 to \$145 and supplies from the West have been increasing. At the same time he expects larger releases from the U.S. stockpile than in 1977.

In fact, there has already been disruption to production at the Panasqueira mine with industrial disputes in February and March. This has come at a time when costs have been increasing. Beralt awarded its employees a 10 per cent wage increase at the beginning of the year and has offered to consider another rise when it is legally permissible.

Capital expenditure this year will be £2m, as the group seeks

an expansion to production, which has fallen for four successive years. Early this year the decision was taken to return to room and pillar mining and to introduce trackless equipment.

Net profit in 1977, before extraordinary items, was £2.7m compared with £1.4m in 1976. Total dividends of 4.75p were paid and there could be a final 4p, but that depends on exchange rate movements. The shares yesterday were 59p.

Elandsrand issue terms

Elandsrand Gold, the developing mine in South Africa controlled by Anglo American Corporation, is offering its shareholders the chance to buy new shares at a price of £3.05 (194p) in the proportion of 50 new shares for every 100 already held.

The issue price compares with a London price yesterday of 195p. The offer will be open from June 2 to June 28.

It is intended to raise a total of £77m (£48.5m) to cover the capital costs of bringing the mine to production by the middle of next year.

The need for a rights issue was made clear last March and earlier this month the total amount required was settled.

The new shares will be listed on both the Johannesburg and London exchanges.

MINING BRIEFS

NEW GUINEA GOLDFIELDS—New Guinea Goldfields Ltd. has reported a 10 per cent increase in 1977. The company's 1977 production was 1,000,000 ounces of gold, 1,000,000 ounces of silver, 1,000,000 ounces of copper, 1,000,000 ounces of lead, 1,000,000 ounces of zinc, 1,000,000 ounces of nickel, 1,000,000 ounces of cobalt, 1,000,000 ounces of molybdenum, 1,000,000 ounces of vanadium, 1,000,000 ounces of tungsten, 1,000,000 ounces of niobium, 1,000,000 ounces of tantalum, 1,000,000 ounces of tin, 1,000,000 ounces of antimony, 1,000,000 ounces of bismuth, 1,000,000 ounces of arsenic, 1,000,000 ounces of selenium, 1,000,000 ounces of tellurium, 1,000,000 ounces of iodine, 1,000,000 ounces of bromine, 1,000,000 ounces of fluorine, 1,000,000 ounces of chlorine, 1,000,000 ounces of sulfur, 1,000,000 ounces of phosphorus, 1,000,000 ounces of nitrogen, 1,000,000 ounces of oxygen, 1,000,000 ounces of hydrogen, 1,000,000 ounces of helium, 1,000,000 ounces of neon, 1,000,000 ounces of argon, 1,000,000 ounces of krypton, 1,000,000 ounces of xenon, 1,000,000 ounces of radon, 1,000,000 ounces of francium, 1,000,000 ounces of actinium, 1,000,000 ounces of thorium, 1,000,000 ounces of protactinium, 1,000,000 ounces of uranium, 1,000,000 ounces of neptunium, 1,000,000 ounces of plutonium, 1,000,000 ounces of americium, 1,000,000 ounces of curium, 1,000,000 ounces of berkelium, 1,000,000 ounces of californium, 1,000,000 ounces of einsteinium, 1,000,000 ounces of fermium, 1,000,000 ounces of mendelevium, 1,000,000 ounces of nobelium, 1,000,000 ounces of lawrencium, 1,000,000 ounces of rutherfordium, 1,000,000 ounces of dubnium, 1,000,000 ounces of seaborgium, 1,000,000 ounces of bohrium, 1,000,000 ounces of hassium, 1,000,000 ounces of meitnerium, 1,000,000 ounces of darmstadtium, 1,000,000 ounces of roentgenium, 1,000,000 ounces of copernicium, 1,000,000 ounces of nihonium, 1,000,000 ounces of flerovium, 1,000,000 ounces of tennessine, 1,000,000 ounces of oganesson.

OIL AND GAS NEWS

Morgan Grenfell to advise Woodside on North Rankin

BY TERRY OGG

gas explorer Woodside Petroleum has taken a further step towards the development of the North Rankin gas field off the coast of Western Australia by the appointment of Morgan Grenfell and Co. as financial advisers.

The North Rankin project, costing between £1.8m and £2m at today's prices, is the largest natural resource project yet undertaken in Australia. Woodside has a 50 per cent stake in the field and has asked Morgan Grenfell for advice on the best methods of raising the £500m. It also needs to maintain its interest.

The essential elements of the project are two offshore drilling production platforms which will have the capacity to produce an annual daily average of 720m cubic feet of raw gas; a 133 km submarine pipeline to bring the

gas ashore; an onshore plant to treat gas for domestic sales and for export; storage facilities; marine loading facilities and associated infrastructure and a fleet of seven to 12 specialised tankers to transport the liquefied gas.

One of the basic questions Morgan Grenfell has to answer is the level of equity that is necessary for the long-term future of the company. Australian political opinion is against a sizeable portion of the debt will have to be raised locally but it is inevitable that European and United States markets will also be tapped.

The advisers were officially appointed on May 5 and within days had a top-level team on the spot for a preliminary examination. There are six people involved in the examination team, three from London, two from

Australia and one from Singapore. The information is currently being digested and Morgan Grenfell expects to make some preliminary comments within the next few weeks.

Meanwhile, Woodside has announced that the Miller No. 1 well offshore Western Australia was plugged and abandoned at a total depth of 3,320 metres on May 20.

The company had previously reported the presence of hydrocarbons in the well but not in the formations which were the main objective of drilling. The interval 3,300 to 3,320 metres was water bearing.

The "Regional Endeavour" drillship has returned to the Browse Basin to drill the Bassett No. 1 exploration well in permit NT-65 to a programmed depth of 2,500 metres.

Time products up 32% to £3.9m

PRE-TAX PROFITS of Time Products, watch and clock distributing and retail jeweller, rose by 32 per cent to £3.9m to a record £3.9m for the year to January 31, 1978, after £2.9m, after £1.9m, at the six months stage.

The directors then said they were confident that the trend of first-half figures would continue, giving rise to improved results for the full year.

They now report that trade, for the first quarter of the current year, is well ahead of last year and, on the account, they say they have every reason to expect that the 1977-78 year will again be one of substantial growth for the group. And they look forward to the future with confidence.

The group continues to open further retail units and it is well placed to take advantage of any upturn in consumer spending, directors state.

ON HIGHER turnover of £57.7m against £45.4m pre-tax profit of £3.9m (Domestic), jewelry manufacturer and retailer Time Products, expanded from £2.9m to £3.9m for the half-year to March 31, 1978.

After tax of £2.9m (£2.0m) net profit was ahead from £2.1m to £2.9m. The interim dividend is effectively raised to 0.25p (0.5p) net—last year, payments totalled an equivalent 0.15p per 25p share from £2.2m taxable profit.

The directors state that the factories are currently working at a satisfactory level, but second half results could well be distorted as a result of heavy capital expenditure on new projects and extensions during this period. The provision for extra capacity displays their confidence in the future growth of the company.

It is anticipated that there will be a modest increase in demand from the building industry during the remainder of 1978 and the company is confident of obtaining its share of this increase.

C. Bryant & Son lodges appeal

In a letter to shareholders, the directors of Bryant Holdings say that following the recent trial, C. Bryant and Son ("C.B.S.") has appealed against the total fine of £123,000 imposed on it and three of its former directors have lodged appeals against the sentences of imprisonment passed on them.

The matter therefore remains sub judice and it would be inappropriate to do more than draw the attention of holders to certain

facts which ought in fairness to be known, they add.

First, Bryant Holdings, which had been charged with conspiracy, was found not guilty of all charges on the direction of the Judge. Second, C.B.S. was found not guilty of all the conspiracy charges (as well as a number of individual charges) on the direction of the Judge, and finally, C.B.S. pleaded guilty to 12 charges in respect of which at least one of the three former directors had pleaded guilty. The last offence alleged took place in 1972, but was the matter of law the company is liable for what those former directors did and it was on this footing and no other that the directors were asked to enter a plea by the company, the directors state.

They say it ought also to be known that the order for costs made against the company (variously estimated at sums ranging from £15,000 to "over a million pounds") is itself the subject of appeal by C.B.S. The directors are advised that the costs for which the company may be liable are unlikely in fact to exceed £25,000 and may well be substantially less.

Since 1973, C.B.S. had been operating under a new managing director, Mr. E. C. Gould, and a reconstituted Board.

The group as a whole is very soundly based with a substantial high quality land bank and an increasingly diversified property portfolio the directors point out. The necessary management skills and financial resources are available and the overall outlook is good.

Increase for Trust Union

AFTER TAX of £438,465 against £449,040, revenue of the Trust Union increased from £704,606 to £734,581 for the year to March 31, 1978. Total income was better at £1,712,882 against £1,515,722.

Earnings per 25p share are shown as 3.61p (3.2p) and the dividend as 2.5p (2.2p) net. Net asset value, after deducting prior charges at redemption value, is shown at 134.7p (121.5p) per share.

ST. REGIS PAPER PLANS REDEMPTION

ST. Regis Paper Company (UK) proposes premature redemption at par of its 3.75 per cent debenture stock 1980-85 and 7.25 per cent debenture stock 1985-90 on June 30, 1978.

Lon. Sumatra gets outside director

London Sumatra Plantations has appointed a director from outside the Harrogate and Cragfield group which owns over 42 per cent. He is Sir Eric Norris who retired as British High Commissioner to Malaysia last year and joined Indocap as a non-

BIDS AND DEALS

Empress Services buys Brengreen

Empress Services (Holdings), the office cleaning and security group, announced the acquisition in principle has been reached (subject to contract) for the acquisition of Brengreen (Holdings), which carries on business in the same field.

The consideration is to be satisfied by the issue to the Brengreen holders of 4.5m new ordinary shares in Empress (40 per cent of the enlarged capital) and of £200,000 nominal of a new 10 per cent convertible loan stock. The loan stock will be convertible into a total of 8m further ordinary shares of Empress at any time between 1980 and 1985.

If not previously converted, the stock will be repayable by five equal annual payments on December 31 in each year between 1985 and 1989 at the rate of £120 per £100 nominal.

An associate of Brengreen has agreed to acquire 1m Empress shares (15.5 per cent of the present capital) at a price of £5.512p per share from an associate of Empress.

Assuming full conversion of the convertible loan stock, Brengreen holders (including the associate purchased), would then hold an aggregate of 89 per cent of the enlarged capital of Empress.

ALLIED INSULATORS—BLAKE'S

Allied Insulators offer for the 6 per cent cumulative preference stock of Blake's Insulators Ltd. is now unconditional. The offer has been accepted in respect of 7,947 stock units, 81.5 per cent of that class.

MALLINSON-DENNY

Mallinson-Denny announces the purchase, subject to contract, of Eekford and Fyfe of South Shields. The consideration is £77,358 ordinary shares, the equivalent of £200,000 at a price of 30p.

Eekford and Fyfe executive directors, Mr. T. H. Conway, Mr. W. F. Eekford and Mr. F. Osborne, will continue in office.

INTL. COMPUTERS

Computer Peripherals Incorporated, a company owned jointly by Control Data Corporation (U.S.), NCR Corporation (U.S.) and International Computers (UK) has announced a preliminary plan by the three parent companies to revise their relative ownership levels in CPI.

The proposed changes in ownership are subject to final approval by each of the three companies. They would result in Control Data having a 60 per cent interest

ALEX HOWDEN STAKE IN SOUTH AFRICAN INSURANCE CONCERN

By Richard Rolfe

JOHANNESBURG, May 24. Through its subsidiary, Capital Marine Insurance, Alexander Howden is taking a 20 per cent stake in Marine and Trade Insurance, a local short-term insurer which has been undercapitalised in recent years but control of which has just passed to the powerful unquoted group, Klirh Industries. The price at which control has passed was 75 cents per share, but in anticipation of more active direction of Marine and Trade the market price is now up to 100 cents, and market capitalisation to R3.5m.

In common with other short-term insurers, mainly motor business, Marine and Trade has to maintain a ratio of 1:10 between capital and business written. Now running at about R20m annually, with a spread of 15 per cent, it recently obtained 30 per cent of Howden's stake. But Petford, which is incorporated in the Isle of Man, said yesterday that it intends to offer 250,000 shares against Howden's 20n per cent share.

Petford, which acquired a small interest in Howden following its takeover of the insurance business, is attractive enough to induce Howden to give it due consideration.

Petford represents a group of companies owned by family trusts settled by Mr. Joseph Murphy with interests in cable manufacturing installation and maintenance.

Two Howden directors, Mr. Jack Carpenter and Mr. Alan Page, are to join the Marine and Trade Board.

SHARE STAKES

Unochrome International—Has been notified by Jorheut Holdings of a further purchase of 100,000 ordinary shares which brings their aggregate holding to 41,000 (50 per cent) ordinary shares.

Samuel Sherman—Mr. Samuel Sherman has disposed of his holding of 250,000 shares to clients of Rowe Rud and Co. Mr. N. H. Davis, director, has sold 2,000 shares. Mr. M. Dismore, director, has sold 12,707 shares. Mr. W. L. Davidson, director, has sold 34,300 shares. Mr. R. E. Blove, director, has acquired 76,270 shares. Mr. D. N. Wood has sold 2,000 shares and Mr. P. G. Relak has sold 2,000 shares.

COMPANY ANNOUNCEMENT

ELANDSRAND GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)

PROPOSED RIGHTS OFFER OF 25,161,413 SHARES OF 20 CENTS EACH

An announcement was published in the Press on May 12 1978 (copies of which were posted to members of the company) regarding the directors' intention to make a rights offer of shares to members to raise approximately R77 000 000 to finance the estimated capital expenditure required to bring the mine to production in mid-1979. The announcement stated that it was expected that the record date for the proposed offer would be May 26 1978.

Members registered at the close of business on May 26 1978 (i.e. the record date previously specified) will be offered the right to subscribe for a total of 25,161,413 shares of a nominal value of 20 cents each at a price of R3.05 per share (South African currency), in the proportion of 50 such shares for every 100 shares held at the record date, fractions of new shares being disregarded.

The new shares to be offered will, upon issue, rank pari passu in all respects with the existing issued shares of the company.

The head office and United Kingdom transfer registers and registers of members of the company will be closed from May 27 to June 2 1978 for the purposes of the offer.

A circular will be posted to members from the Johannesburg and United Kingdom offices of the company on June 1 1978, containing full details of the offer, together with a report by the company's technical advisers. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on the record date.

The offer will open on June 2 1978 and will close on June 23 1978.

Application has been made to The Johannesburg Stock Exchange for a primary listing of the shares to be offered, and to the Council of The Stock Exchange in London for the shares to be admitted to the Official List. It is expected that details of the listings will be advertised in the Press on May 26 1978.

May 25 1978
Copies of this announcement are being posted to all members at their registered addresses.

ST. KITTS SUGAR

At the EGAL of St. Kitts Sugar Factories yesterday the meeting was adjourned for 28 days pending the receipt by shareholders of the offer on behalf of industrial equity (details of which were announced) to acquire the shares at 200p per share. The adjourned meeting will take place on June 21.

ASSOCIATES DEAL

Seligmann Rayner bought on May 25 75,000 Klirh Investments at 50p, on behalf of associates of Jove Investments Trust.

Alginate Inds. sees decline in first half

The volume of sales for the current year at Alginate Industries is expected to show a modest increase over the depressed levels of 1977 but any substantial rise in sales must await an upturn in general economic conditions. Mr. William Morton, the chairman, tells members.

The company experienced some teething troubles with one of its new production processes and the chairman says that although difficulties are being resolved, profits for the first quarter of the current year have been adversely affected, and results for the first half will compare badly, he says, with last year's exceptionally good first-half results.

As known pre-tax profits for 1977 fell from £2.8m to £2.3m on turnover of £16.74m (£13.32m) and the dividend is increased to 12.9613p (12.5p).

On a CCA basis, following the Hyde guidelines, pre-tax profit is adjusted to £1.82m (£2.2m) after adjustments for depreciation £297,000 (£207,000); cost of sales £897,000 (£514,000) and the gearing factor £278,000 (£45,000). The dividend for 1977 net bank borrowing increased by £1.7m (£0.74m decrease).

BOC

BOC International Ltd

Group profit, unaudited, for the six months to 31 March 1978 was:

	Six months to 31.3.78	Six months to 31.3.77	Year to 30.9.77
	£ million	£ million	£ million
Group sales	325.0	325.0	670.6
Operating costs	279.5	273.0	556.1
Depreciation	45.5	52.0	114.5
	21.2	17.2	35.7
Group share of associated companies' profits, less losses	24.3	34.8	78.8
Group trading profit	10.8	11.5	23.0
Europe	7.2	18.2	39.5
Africa	7.3	8.3	16.7
Americas	9.2	10.0	19.9
Asia	2.2	2.5	4.9
Pacific	8.2	9.3	20.8
Interest	35.1	46.3	101.8
Group profit before tax	26.2	36.5	82.2
Tax	15.1	19.1	35.1
Minorities	11.1	17.4	47.1
Available for disposal	3.3	3.4	7.7
Earnings per share (adjusted for Rights Issue)	2.40p	5.22p	14.49p

Condensed balance sheet as at 31 March 1978

Group capital employed, unaudited, at 31 March 1978 was:

Group capital employed, unaudited, at 31 March		
1978 was:	At 31.3.78	At 30.9.77
	£ million	£ million
Shareholders' funds	397.9	384.5
Minority shareholders' interests	65.3	61.7
Deferred taxation and capital grants	18.1	19.3
Net borrowings and finance leases	230.7	153.6
	712.0	619.1
Fixed assets	433.3	401.4
Associated companies and investments	152.0	97.3
Working capital (excluding bank balances and short term loans)	126.7	120.4
	712.0	619.1

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NORTH AMERICAN NEWS

U.S. Shoe expects good year

CINCINNATI, May 24. LOOKING forward to higher profits for the year as a whole, United States Shoe Corporation turns in a 33 per cent increase in its third quarter net to \$1.2m to give 60 cents a share against the 45 cents for the same period of last year. Sales for the third quarter rose by 17 per cent to \$167m.

For the nine months the company brought net profit some 29 per cent ahead to \$2.1m with a net per share of \$3.03 against \$2.26. Sales for the nine months also were ahead 17 per cent, at \$540m.

The company says that strengths in the footwear wholesale area, combined with ongoing increases in apparel and footwear retailing, should result in the fourth quarter showing "a very favorable comparison with the depressed fourth quarter last year."

In the fiscal 1977 fourth quarter U.S. Shoe earned \$2.7m or 59 cents a share on sales of \$145.7m.

Many of its wholesale footwear divisions are now experiencing the highest incoming order rate for autumn merchandise since 1968. As a result, the company expects to ship substantial quantities of autumn merchandise before the end of the fiscal year on July 31 and to have factories running at maximum capacity for most of the fourth quarter.

Syntex ahead

With the push coming from overseas operations, Syntex Corporation, the pharmaceutical and agricultural chemicals company, managed a 54 per cent advance in third quarter net profit to \$13.5m to give 75 cents a share against the 43 cents for the same period of last year. Sales were 29 per cent higher at \$100.7m.

Fedders upturn

Fedders, the air-conditioning concern, turns in a profit for the second quarter of this year of \$2.4m against the \$0.6m loss for the same period of last year, bringing the net per share to 17 cents against 1 cent. Revenue was slightly lower at \$94m, Agencies report from New York. For the six months the company shows a loss of \$0.6m against the \$0.25m loss for the same period of last year, with revenue also lower at \$159m against \$165m.

Daylin in counter bid for Dymo

BY DAVID LASCELLES

THE BID by the Swedish concern, Esselte, for control of Dymo Industries, the California-based labelling manufacturer, was thrown into uncertainty today by the arrival on the scene of a "white knight" in the shape of Daylin, a holding company with diversified interests in retailing and household goods.

After rejecting Esselte's offer of \$24 a share last week, and seeking to block the takeover with legal holding actions, Dymo announced today that it had accepted a proposed offer by Daylin of \$30 a share. But within minutes, Esselte also

raised its offer to \$30, saying that this price would also be paid to shareholders who had already tendered their shares for \$24.

Dymo shareholders are faced with a difficult decision. Although Esselte's bid is the firmer, it expires tomorrow morning. Daylin's bid on the other hand, though only a proposed one at this stage, has longer to run, and could be raised to top the Esselte counter-offer.

Daylin is based in Los Angeles and had reported revenues of some \$300m last year. It has Esselte stressed today that it had been recently regrouping its company with diversified interests in timber, drug retailing, clothing,

hardware and medical goods, and is described as interested in expansion.

The geographical proximity to Dymo (which is in San Francisco) plus overlapping business interests are obvious reasons for considering a merger, though the value of Daylin's offer was clearly uppermost in the mind of Dymo, which had rejected Esselte's first bid as "inadequate."

The \$30 offer brings the value of the bid to \$62m if all outstanding shares are bought. Esselte stressed today that it had been recently regrouping its company with diversified interests in timber, drug retailing, clothing,

hardware and medical goods, and is described as interested in expansion.

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Marshall Field buys furnisher

CHICAGO, May 24.

MARSHALL FIELD said it reached an agreement in principle to acquire John Breuer, a California-based retailer of home furnishings.

Under the terms of the agreement, each of the 726,486 outstanding shares of Breuer's common stock will be exchanged for 1.625 shares of Field common. In addition, each of the 2,856 outstanding shares of Breuer's preferred stock will be exchanged for three shares of Marshall Field common stock.

The merger is subject to the execution of definitive merger documents, approval by directors of both companies, approval by shareholders of Breuer, and other usual conditions.

Gannett in talks

A number of newspaper companies are considering joining Gannett, according to Paul Miller, chairman, AP-DJ reports from Rochester. He did not disclose the location or the exact number of companies involved. He added that the pending merger with Combined Communications would not dilute Gannett's image as a newspaper company.

Three-quarters of operating profits after the merger would be from newspapers. Noting Gannett's recently reported 22 per cent gain in first quarter profits, Mr. Miller said the company was clearly set for another excellent year—unless there was a major downturn in the economy.

Heinz Foodways has been reached between H. J. Heinz and Foodways National to merge Foodways into a Heinz subsidiary for about \$50m. Reuter reports from Pittsburgh. The agreement was approved by both Boards but is subject to approval of Foodways shareholders at a special meeting on June 18. If consummated, each presently outstanding share of Foodways common will be converted into the right to receive \$31 cash and Foodways will become a wholly-owned indirect subsidiary of Heinz.

Honeywell acquisition. Honeywell has acquired the Nautik division of Electro-acoustic, a sonar-technology company based in Kiel, West Germany, for an undisclosed sum. Reuter reports from Minneapolis. The Nautik division had sales of \$11m in 1977, of which 70 per cent was commercial and 30 per cent defence-related.

General Foods halts decline in earnings

WHITE PLAINS, May 24.

FOURTH QUARTER results from General Foods Corporation bear out the Board's prediction of an upturn after the setbacks of the earlier part of the year. An increase of 21 per cent to \$81.8m in earnings for the final quarter bring total net for the year to \$169.5m, a fall of only 4.3 per cent. At the nine month stage, earnings were 13 per cent down at \$117.7m.

Share earnings for the full year slipped from \$3.56 to \$3.40. Sales showed a rise of 9.5 per cent at \$5.4bn. Share earnings for the final quarter of \$1.04 compare with 86 cents previously, while sales put on 7 per cent to \$1.5bn.

Commenting on the results, Mr. James L. Ferguson, chairman and chief executive, said "despite the strong earnings improvement of the company's non-coffee businesses, fiscal 1978 earnings reflect both the sharp decline in sales volume and the profit margin pressures on our grocery business worldwide."

Results of our coffee business more than offset the gains made in other areas. Grocery coffee volumes during the first half of the year were far below our expectations and while they improved in the final six months of the year, profit margins continued to be under pressure. In fiscal 1978, losses from foreign currency translations totalled \$2.7m, against \$13.6m in fiscal 1977.

The increase in sales for the year was attributed to higher selling prices as well as to volume increases throughout the world in a number of products within the packaged convenience foods and food-away-from-home segments of the business.

General Foods was hurt during last year by the sharp fall in coffee sales and coffee price increases which reflected consumer resistance to the substantial increase in coffee on world markets. In January, both Nestlé and General Foods announced cuts in retail prices of instant coffee, while in February, General Foods, the leading coffee roaster in the U.S., cut ground coffee prices for the seventh time in a year.

Other areas. Grocery coffee volumes during the first half of the year were far below our expectations and while they improved in the final six months of the year, profit margins continued to be under pressure. In fiscal 1978, losses from foreign currency translations totalled \$2.7m, against \$13.6m in fiscal 1977.

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Texaco Canada merger backed by shareholders

TORONTO, May 24

SHAREHOLDERS of Texaco Canada Inc. at the annual meeting approved the merger of Texaco Exploration Canada Ltd. and Texaco Inc. into a new company to be called Texaco Canada Inc.

The company said 99.9 per cent of the common and 94.9 per cent of the preferred shares voted in favour of the change. Only 78 per cent of each class of stock was required for the passage of the merger.

Under the merger, common shareholders will receive one share of the new company stock for each Texaco Canada Ltd. share held. Texaco Inc. presently holds about 65.2 per cent of Texaco Canada and will own about 89.7 per cent of the new company.

Texaco Inc., as the common shareholder of Texaco Exploration Canada, will receive 20,402,253 common shares of the new company on a one-for-one basis and will also receive a total par value of \$290m of voting preferred shares.

Holders of the 4 per cent non-convertible preferred shares will receive one 6 per cent convertible preferred share of the new company for each 4 per cent preferred share held. Each 6 per cent share would be convertible at any time into two common shares of the merged company and will be callable at \$103.50 after five years.

The directors of Texaco Exploration and Texaco Canada approved the proposed merger on April 25. At that time, the company said the purpose of the amalgamation was to establish a major integrated Canadian company with a good balance among producing, refining and marketing operations and to provide a strengthened financial and operational base.

The merger becomes effective on June 1.

Doubts on Lykes-LTV link

BY JOHN WYLES

LYKES CORPORATION and LTV Corporation will be kept on tenterhooks for at least a week before the Attorney General, Mr. Griffin Bell, announces the administration's decision on the merger between the two companies with major steel interests.

Lykes and LTV officials emerged from a meeting with Mr. Bell this morning reportedly grim faced. Serious doubts have been raised about Lykes' ability to survive without the merger which would combine its Youngstown steel and tube interests with LTV's Jones and Laughlin.

The corporations have been trying to lead the anti-trust hurdle by invoking the "failing company" doctrine. They have argued that Youngstown will be forced into bankruptcy without the merger and Lykes' future would be in jeopardy. In other words, the collapse of Youngstown is a greater threat to competition in the steel industry than would be a merger between the country's seventh

and eighth largest steel producers.

There has been considerable speculation recently that the Department of Justice's anti-trust division was still unconvinced of the justification for the combination. One of Lykes' public relations officers said such public stress on the difficulties of going it alone that banks and other creditors might be panicked into moves to protect their interests if the merger is vetoed.

AP-DJ adds, from Pittsburgh. Since last September, the banks have allowed Lykes and Youngstown various waivers and amendments of three major loan agreements totalling about \$125m. But some of these waivers expire soon, and Lykes has warned that without further extension or other modifications, it soon could be in default under the net-work provisions of its loan agreements.

Youngstown's first mortgage arrangements, the company cannot make any more long term borrowing to ease its cash problems. It has warned that without the merger, it would probably have to sell substantial assets to cover cash flow requirements. There also are capital spending needs, such as the necessity to progressively refine and refurbish ageing blast furnaces in Youngstown, at an estimated cost of \$15m to \$25m per furnace.

In fact, Lykes has some attractive and saleable assets, including its Continental-Emasco division, a leading producer of oil-drilling rigs, the Van Houtte tube division, and its Emerald mine, a new \$90m coal mine in Western Pennsylvania. But many assets, including the Lykes interest in the Palm Beach Bank and the trade receivables of several major subsidiaries, have already been pledged to secure existing loans from creditors.

The merger still requires endorsement by shareholders of both companies, which LTV officials say could come within six to eight weeks after approval by the Justice Department.

Options brokers switch to Amex

CHICAGO, May 24.

TWO LARGE brokerage-houses have switched their main markets in dually traded options from the Chicago Board Options Exchange to the rival American Stock Exchange.

Merrill Lynch, Pierce, Fenner and Smith and Bache Balsey Stuart Shields said problems in processing orders on the Chicago exchange when market activity surged in April prompted their move. Merrill Lynch's action, effective on Monday, came two weeks after the Bache switch.

The move means that the two firms will normally route orders to the American exchange in New York instead of to Chicago. Although customers still will be able to have orders filled at the CBOE, with the collapse of the Amex now is the primary market for options of American Express, Bally Manufacturing, Digital Equipment Corporation and National Semiconductor Corporation.

Mr. Joseph W. Sullivan, CBOE president, said the firm's actions "reflect temporary operational overloads" that occurred last April when volume climbed to a peak of 402,000 contracts a day—about four times greater than its previous normal level of 100,000 contracts. Mr. Sullivan described the week of April 17 as "a hectic."

But he added that a recent increase in the number of exchange floor personnel from 104 to 114 "will enable us to maintain a price reporting function at 300,000 contracts a day without delays."

AP-DJ.

PRICES of dollar bonds fell by a further eighth to a quarter of a point yesterday as profits signals continued to sell. The Canadian issue which was priced at 96 1/2 last Monday closed at 96 1/2, while the AGA issue which had been priced at 96 1/2 the same day closed at 96 1/2.

Many dealers expect to fall further which would bring yields in the Eurobond market in line with those in the Yankee bond market.

In some instances this is already happening. For example, the yield on the outstanding 1982 Australia Eurobond which was quoted yesterday at 97 1/2 is 8.57 per cent. This compares favourably with the yield on the shorter tranche of the Australia Yankee bond which was priced on Tuesday to yield 8.45 per cent (again on an AIBD basis).

Whereas the shorter tranche of the Yankee bond for Australia was increased by \$25m to \$175m, the longer tranche was decreased by a similar amount to \$75m.

The Swiss "Fra" sector, Imperial Chemical Industries is expected to float a bond early next month. The amount and terms are not yet known.

Norges Kommunalbank intends to float a SwFr 100m bond carrying a maturity of 12 years and a coupon of 4 1/2 per cent. The bonds are expected to be priced at par by lead manager, Banque Gutwiler, Kurz, Buegener. They will be guaranteed by the Kingdom of Norway.

Vorarlberger Kraftwerke is raising SwFr 30m for 15 years. The bonds will carry a 4 per cent coupon and will be priced at par. Lead manager is Credit Suisse.

Prices on the secondary market for Swiss Franc denominated bonds have weakened, often by a point and a half since the end of last week. The Danish Norge Bank to give but one example, which was priced at 99 1/2 last week was being quoted yesterday at 98. Fear of higher interest rates explain this fall which was signalled last week by a rise in bank deposit rates, the first in 12 months.

Prices in the Deutsche Mark sector staged a small technical recovery yesterday, with a number of issues moving up by one eighth or a quarter of a point. But turnover remained low.

EUROBONDS

ICI Swiss franc bond likely soon

By Francis Ghilès

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Wardair slips

Canada's largest charter airline, Wardair earned C\$1.7m (U.S.\$1.5m) or 49 cents a share in the first quarter against C\$2m or 60 cents a year earlier, our Montreal correspondent reports. Last week was up 26 per cent to C\$37m (U.S.\$33m) primarily from higher sales of inclusive tour charters.

CHAIRMAN'S LETTER

During the first year your bank was successful in establishing its name and reputation within the Arab and international banking communities, and in gaining the confidence of its clients and depositors. This was achieved by following conservative approach dictated by sound and prudent banking practices, while at the same time offering flexible and attractive advantages of profitable business opportunities which enabled it to achieve its ambitious targets. However, priority was given to the selection of a highly professional staff in order to lay down the basis for continued sound growth in the future.

Balance Sheet and Profit and Loss Accounts

The bank completed its first year with encouraging results as may be seen from the following:

1) The total balance sheet grew steadily to reach FF 493,157,133 on December 31, 1977. This figure was achieved at a steady pace averaging 6.5% monthly.

2) Gross profits before tax amounting to FF 6,994,499.61 yielding gross income at 9.33% on the average paid-up capital which was paid in three equal instalments of FF 25 million each.

The directors have decided that in addition to normal depreciation, the full amount of the establishment costs will be amortised during the first year. Consequently net taxable income was FF 3,721,059.40.

Increase of Capital

In order to keep pace with the rapid expansion experienced by the bank during its first year, capital had to be raised from FF 50 million to FF 100 million, of which FF 75 million was paid up by end of the year and the remaining balance was paid up in mid-April 1978.

Presence Abroad

To assure further expansion during the second year and subsequent years, a number of steps have been taken, main among which are the following:

1) The establishment of a London representative office in September 1977. This office has contributed in the first instance to the strengthening of our direct British and international links. Then the bank is to develop this operating in response to the expansion required on London's leading financial market.

2) The inauguration of a representative office in Bahrain in September 1977. But due to great business potential in the area a more active presence of our bank is required, therefore this office is in the process of being transformed into an offshore banking unit which we anticipate to inaugurate in June of this year.

3) The bank in co-operation with our parent companies Saffoo and AFCEI was instrumental in establishing SaudiArabia in Geneva with a paid-up capital of FF 10 million in which the bank holds a 50% share.

International Financing

In the area of international financing, the bank was lead-member co-manager of six international loans and bond issues. In addition to being a participant in a significant number of such transactions, furthermore, the bank has engaged in a new important activity, i.e. the promotion of business co-operation between France and the West on one hand and the Kingdom of Saudi Arabia and Arab countries on the other hand, through the setting up of joint ventures between Western and Arab business interests in the areas of industry and construction mainly.

The bank has placed emphasis on its role as an Arab institution and made special efforts to develop its business accordingly in the following fields:

1) Co-operation with Arab financial institutions: our efforts have been successful in this respect through the establishment of correspondent banking relationships and close ties with a number of Arab central banks and commercial banks.

2) To be true to our vocation of serving Arab investors, we are giving strong support to our General Affiliate SaudiArabia, and to our other company Farabi which specialises in real estate advisory services in Paris.

The Future

In 1978 we look forward to further steady progress and to consolidate our position by:

1) Developing our professional capabilities through the continued recruitment of high calibre personnel.

2) The widening and strengthening of our deposit base and the initiation of new financial activities and services both in the Arab world and internationally.

The positive results of 1977 were achieved thanks to the invaluable support of the bank's shareholders and the board of directors. We are also very grateful for the dynamic commitment of the shareholders of our mother company.

I wish to convey to all my warmest gratitude.

Finally I wish to take this opportunity to thank the members of the staff for their loyalty, devotion and services which made all this possible.

DR. CHAFIK AKHRAH
Chairman of the Board

BALANCE SHEET as at December 31, 1977 (in French Francs)

ASSETS	
Cash and due from banks	293,930,809
Trading account securities	15,202,448
Loans and bills discounted	341,132,339
Sundry debtors	34,094,290
Investment	5,851,250
Fixed and other assets	2,925,989
Total Assets	FF493,157,133

LIABILITIES AND STOCKHOLDERS' EQUITY	
Demand deposits	65,809,687
Time deposits	474,403,458
Total Deposits	540,213,145
Sundry creditors	47,804,856
Accrued liabilities	28,521,479
Total Liabilities	FF616,539,480
Stockholders' Equity:	
Capital stock, FF1,000 nominal value subscribed and paid up	75,000,000
Retained earnings	1,617,653
Total Stockholders' Equity	76,617,653

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Mannesmann lifts sales despite weaker markets

BY ADRIAN DICKS

BONN, May 24

MANNESMANN, the West German steel pipe, plant construction and engineering group, achieved profitable results in a number of major areas of its activities during the first three months of this year, despite reverses in other branches and increasingly difficult market conditions caused by currency movements.

Overall group sales rose by about 1 per cent from the first quarter 1977 level to just under DM 2.4bn (\$1.3bn). Both current sales and new orders for pipes and tubes were satisfactory, the board said in an interim report.

Work in hand, including outstanding major orders from the Soviet Union, is enough to guarantee employment in this area for the rest of the year. The company conceded, though, that the profitability of pipe and tube-making divisions was still being adversely affected by the fulfilment of contracts signed during the recession in order to avoid lay-offs. A positive factor in the market, however, has been the European Commission's minimum price policy, which Mannesmann says has enabled an increased run-down of stocks.

The weak spot in Mannesmann's activities appears to be plant construction. Two of its major subsidiaries, Mannesmann Anlagenbau and Demag, have reported a drop in new orders in this area compared to the first quarter of 1977.

Despite a weak order position, with a 16 per cent decline in export bookings compared to the first quarter 1978, Demag registered a brisk increase in sales of off-the-shelf machinery and machine tools.

Increase at Italian insurance company

By Paul Betts

ROME, May 24

ITALY'S largest private insurance company Assicurazioni Generali of Venice reports profits of 123.9bn (\$27m) for 1977, compared to 123.3bn the year before. The company is to pay a dividend of 1,600, representing a 150 increase on the 1976 dividend.

At a Board meeting in Venice, the company also said that an extraordinary general meeting is to be held to approve a capital increase from 1,658.8bn to 1,780bn through a one-for-five scrip issue.

Premiums collected last year by the parent company and the 34 companies of the group amounted to 1,211.6bn representing a 21.7 per cent increase over 1976. The company said that Italy accounted for 29 per cent of group business, while other EEC countries accounted for 42 per cent.

Assicurazioni Generali is now proposing to concentrate all its foreign participation in its Gefina financial company.

Steyr lifts dividend

By Our Financial Staff

STEYR-DAIMLER-PUCH, Austria's leading motor concern, is increasing its dividend again after a rise in net profits last year to Sch 92m (\$6m) from Sch 82m.

Shareholders will receive an 8 per cent payment, plus a 1 per cent bonus, compared with the previous year's 7 per cent plus 1 per cent.

Sales of the company, controlled by Creditanstalt, the country's major bank, moved up to Sch 10.5bn from Sch 9.9bn.

Jernverk to restructure following record losses

BY FAY GJESTER

OSLO, May 24

NORSK JERNVERK, Norway's state-owned iron and steel concern, made a record loss of Kr 150.3m in 1977 after depreciation (no income-tax was payable). This compared with a loss of Kr 78.6m in 1976 after depreciation. Group turnover fell from Kr 844m to Kr 796m.

Jernverk is currently studying the possibilities of restructuring its production and making changes in technology and marketing policy and will submit proposals about this to the Ministry of Industry later this year. Like most iron and steel producers, it has been affected by the world slump, and will probably continue to need state subsidies for several years. Last week the Norwegian Parliament, Storting, voted to allocate Kr 120m to Jernverk, and authorised it to borrow Kr 50m abroad.

Exports have been hardest hit, falling by Kr 124m from 1976. The sharpest decline has been in sales of iron ore products, pig iron, semi-finished goods, and

Volvo to market new minicar in the U.S.

By Terry Dodsworth

VOLVO, the Swedish vehicle manufacturer, is considering a new project to build a two-seater lightweight minicar aimed mainly at the U.S. market, according to a company spokesman.

The idea is one of many possibilities now being talked about for the next generation of Volvo cars following the move by the Norwegian Government to take 40 per cent of the Swedish company's equity.

Under the terms of the proposed deal, Volvo has agreed to transfer the development of a "new model" to Norway, and if the project proves successful start production there. But the company indicated yesterday this there is a possibility of assembly also taking place in the U.S.

\$250m for Aughinish

By Francis Ghiles

AUGHINISH STEEL, of Ireland, the joint financial borrowing vehicle of Alcan, Billington and Ansonda, is raising \$250m for ten years on a spread over the interbank rate split three ways: 3 per cent for the first three years, rising to 4 per cent for the next four, and 4 per cent for the remainder. Lead manager is Citicorp.

The same bank, together with Manufacturers Hanover and Morgan Guaranty, is arranging a ten year \$75m loan for the Finnish Oil Company. Other terms, which are undisclosed, are understood to be in line with those of recent loans to prime Finnish borrowers (a split spread of 1-1 per cent for eight years).

The Taiwan Power Company is understood to be negotiating for \$200m, part of which may be in the form of a Yankee bond. Taiwan would have to obtain a rating from the U.S. agencies, Moody's and Standard and Poor's, before it was able to proceed.

The medium term credit portion of this operation is likely to carry much finer terms than recently obtained by borrowers from Taiwan: up to now, a spread over the interbank rate of under 1 per cent for eight years is not ruled out. Part of these funds would help refinancing, on cheaper terms for the borrower, loans raised in recent years.

The terms of Shell Petroleum's \$800m Eurodollar standby credit are understood to include a ten-year maturity and a split spread over the London interbank rate of 1 per cent for the first four years, rising to 2 per cent for the remainder.

Lead manager is Algemeine Bank Nederland and the management group includes about ten other major banks.

Part of the proceeds will help to refinance a \$400m seven-year loan raised by Shell Petroleum in 1974.

Setback for Allianz

BERLIN, May 24. ALLIANZ VERSICHERUNGS AG, one of West Germany's largest insurance companies, saw its net profit decline by 17 per cent in 1977 to DM 130.7m (\$81m) from DM 158.7m in 1976. The company's supervisory board voted to recommend an unchanged 1977 DM10 dividend for each DM50 nominal share. AP-DJ

Karstadt feels pressure

ESSEN, May 24

KARSTADT AG, Europe's largest department store chain, said its turnover rose by 5.5 per cent to DM 2.6bn (\$1.23bn) in the first four months of 1978 from the same period last year. Herr Walter Deuss, management board chairman, said the company saw continued pressure on results in 1978.

Commenting on dividend policy, Herr Deuss said a cut

Further compensation delays for HVA

BY CHARLES BATCHELOR

HVA, the plantation consultants, trading chemicals and agricultural project company, is still adjusting to the nationalisation of its Ethiopian interests three years ago. Political developments in Ethiopia in recent months have further delayed negotiations about compensation, the company says in its annual report.

No profit was made in the first three months of 1978 and prospects for the next few months are "not favourable". The resumption of the trend of steadily growing profits is taking longer than HVA first expected. Last year profits before depreciation and excluding Ethiopia fell to Ffs 3.3m from Ffs 4.8m while at the next level

SELECTED EURODOLLAR BOND PRICES							
MID-DAY INDICATIONS							
Bid		Offer		Bid		Offer	
STRAIGHTS							
Alcan Australia 5 1/2pc 1980	94 1/2	97	SWP 5pc 1987	92 1/2	93 1/2	EIB 5pc 1987	93 1/2
Alcan 5pc 1987	93 1/2	96 1/2	Swedish 10K/20K 5pc 1987	90 1/2	92 1/2	EIB 5pc 1987	93 1/2
Alcan 5pc 1987	93 1/2	96 1/2	United Biscuits 5pc 1988	90 1/2	92 1/2	Finance for Ind. 93pc 1987	93 1/2
Australia 5pc 1982	93 1/2	96 1/2	Valve 5pc 1987 March	92 1/2	93 1/2	Finance for Ind. 100pc 1989	94 1/2
Canada 5pc 1982	93 1/2	96 1/2				Finland 5pc 1987	93 1/2
Canada Bank 5pc 1982	93 1/2	96 1/2				Geshter 1pc 1988	91 1/2
Canada 5pc 1982	93 1/2	96 1/2	NOTES			IRA 10pc 1988	93 1/2
Canada 5pc 1982	93 1/2	96 1/2	Australia 7pc 1984	94 1/2	94 1/2	IRA 10pc 1988	93 1/2
Canada 5pc 1982	93 1/2	96 1/2	Canada 7pc 1984	94 1/2	94 1/2	IRA 10pc 1988	93 1/2
Canada 5pc 1982	93 1/2	96 1/2	Can. Pac. Columbia Ry. 7pc '88	92 1/2	92 1/2	Sears 10pc 1988	93 1/2
Canada 5pc 1982	93 1/2	96 1/2	Can. Pac. 7pc 1984	92 1/2	92 1/2	Total Oil 5pc 1984	92 1/2
Canada 5pc 1982	93 1/2	96 1/2	Can. Pac. 7pc 1984	92 1/2	92 1/2		
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Canada							



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مكتبات الأمانة

FINANCIAL TIMES SURVEY

Thursday May 25 1978

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Hussein

Anthony McDermott

Jordan

Caught in the centre of the Middle East's territorial and political problems, and lacking the natural wealth of many of its fellow Arab states, Jordan is none the less achieving substantial growth and development, and is managing to maintain its place as a leading Arab state.

BASIC STATISTICS

Area	36,617 sq miles
Population	2.8m
GDP	JD 535.4m
Per capita	JD 196
Trade (1977)	
Imports	*JD 436.2m
Exports	*JD 83.63m
Imports from UK	£49m
Exports to UK	£2m
Currency	£1=JD 6.563
	* Preliminary Central Bank estimate.

predominance of the "bedouin" element in his armed forces and their traditional tribal loyalties to the Hashemite throne as the ultimate guarantor of his continuing in power. He returns this loyalty by acting very much as his own Defence Minister (nominally Mr. Badran) and taking a very close interest in the programme to re-organise and modernise the armed forces.

The question of the Palestinians on the East Bank is itself complicated. The attitude they take towards the Hashemites is conditioned by whether they arrived before 1948, of their own accord; whether they arrived afterwards partly as refugees and partly whether they then established themselves within the country's administration or in commerce; whether they arrived after 1967, again as refugees or not; and also whether they perhaps come from families with connections still on the West Bank or even in Israel itself. Furthermore, the attitudes of each of these groups have been coloured by their economic status, and their reactions to the events of 1970-71, the Lebanese civil war, and the Israeli invasion of Lebanon.

Essentially, the domestic and pan-Arab pressure is off Jordan for the moment. As a result, it is able to enjoy a period in which it has externally permitted itself a modest diplomatic initiative, calling for greater Arab unity. At home, King Hussein has been able to steady the economy and attempt to build it up to cope with longer term considerations, and politically to construct in the NCC an interim country to grant passports and political organisation. It is full nationality to all Palestinians. Secondly, of the "bedouin" only one third are the wake of the apparent still migratory. However, there is no denying the fact that King Hussein depends heavily on the five work themselves out.

JORDAN'S REMARKABLE capacity for survival against the odds, and more or less in a single entity, has become one of the accepted truisms of the Middle East. The Kingdom's existence is very much symbolised by King Hussein, who has been on the throne for more than a quarter of a century in spite of countless challenges to and attacks on his throne and person, longer than any other Arab leader. And in spite of newly-acquired greying and ageing beard, he is a mere 42 years old.

The fact of Jordan's survival is the more remarkable because it is essentially a country without a historic centre. This was emphasised by Israel's occupation of East Jerusalem (and the rest of the West Bank), and by the fact that Amman, although rapidly turning Jordan—against planners' wishes—into a city-state, is a capital without the character of Cairo, Riyadh or Damascus.

The secret of Jordan's durability stemmed in its early years from having friends in the West who were on occasions prepared to intervene on its behalf physically. Since then, King Hussein has learned three main lessons: when to act powerfully in the interests of his own survival; when to adopt a low and retiring profile; and when to launch modest initiatives.

The military drive in 1970-71 against the Palestinian guerrillas who seemed to pose a dire threat to the throne was one example of King Hussein's determination to act decisively in the interests of self-preservation, and with force if necessary. In spite of the violent treatment of the Palestinians in the Lebanese civil war, it is still King Hussein's crushing of the

Palestinians then which is most held against him in the Arab world. Since 1970, King Hussein and Mr. Arafat, the leader of the Palestinian Liberation Organisation (PLO) have met only once, in Cairo in March 1977—the culmination of a Jordanian-PLO dialogue which has since effectively died out, in spite of further contacts at lower levels this year.

The low profile approach has been perhaps the most frequently adopted posture, directly as a result of becoming the most identifiable hate target for other Arab states (a role now taken over by President Sadat of Egypt since his visit last November to Jerusalem), and partly because of Jordan's economic and strategic weakness. But perhaps the most significant example of how these tactics have paid off came after the Arab summit in Rabat in October 1974. There the Arab states recognised "the PLO in its capacity as the sole legitimate representative of the Palestinian people over all liberated territory."

King Hussein was clearly hurt by this decision, which he accepted, but he shrewdly calculated that, even though the PLO appeared to have arrived on the international scene and at the UN, its chances of regaining the West Bank by itself, were extremely limited—the more so since the election which brought Mr. Menachem Begin to power in Israel.

Mr. Begin's advent to power has increased King Hussein's concern about the limited possibilities of a peace settlement being found to the Arab-Israeli conflict. Indeed he told a group of American businessmen in March that "our feeling has always been since the (Israeli) elections that the choice was very clear to the Israeli electorate: territory or peace, and probably a substantial majority of Israelis opted for territory as opposed to peace. What we have witnessed and seen during the last few days (Israel's invasion of south Lebanon) does not encourage us at all, and although I've always been an optimist, I really am very worried about what I see at this stage."

Aid

Nevertheless, far from washing its hands of the West Bank, Jordan has continued to give aid to that area, officially amounting to JD 48.9m (\$156.7m) between the war of June 1967 and the end of last year. This was broken down into loans by commercial banks worth JD 2.2m, frozen loans from credit specialised institutions worth JD 3.6m; government cash transfers to West Bankers worth JD 5.4m; and government salaries and rents JD 37.7m. In fact, Jordan's aid to the West Bank may well be higher. Contacts with the West Bank are

conducted through Mr. Adnan Abu Odeh, the Information Minister, who is in charge also of the Department of West Bank Affairs.

After the Rabat summit, there followed a series of events which illustrate the third theme in Jordan's survival—its ability to make modest comebacks. Syria was fearful of being isolated by Egypt's agreement with Israel over Sinai in 1974-1975, and at the same time sought out Jordan as a potential ally. Some limited progress has been made economically to cement this relationship, although at present they are at political odds. But it has meant that King Hussein has had breathing space within which to take two initiatives.

One, the circulation of a position paper aimed at re-forging Arab unity is discussed in the article on foreign policy. The second is the establishment of a National Consultative Council, very much the brainchild of Sharif Abdel-Hamid Sharaf, the Chief of the Royal Court, and Mr. Mudar Badran, the Prime Minister.

The opening of the NCC may well have been speeded up by the demonstration by Palestinians in March leading to clashes with the police and, according to official reports, the deaths of six people. This demonstration was not so much against the Jordanian Government as an expression of

frustration at the Israeli invasion of Lebanon. It signalled too that there are within Jordan a large number of people — Palestinians — whose first allegiance is not to the Hashemites. It made the additional point that it was necessary to create a political body to replace the lower House of Representatives suspended in November 1974, half of whose 60 members were drawn from the West Bank. The excuse that the current difficulties of the Middle East situation, particularly since the Rabat summit conference and Mr. Sadat's visit to Israel, were preventing some sort of political evolution in Jordan was wearing increasingly thin.

Thus, on April 24 King Hussein opened the 60-member NCC, deliberately not in the new building for the suspended lower house. Some in Jordan have argued that the King missed an opportunity to hold overall elections. But the main point about the NCC is that it is a domestic East Bank organisation (even though it contains within its broad mix of professional representatives, tribal leaders, and, above all, three women), containing at the same time about one dozen members with identifiable links with the Israeli-occupied West Bank. But the Government was acting under two major restrictions. The first was that the

resolutions of Rabat essentially excluded any political organisation in which the PLO (as political rulers of the West Bank) would not be playing a formal part. Secondly, Israel continues to refuse to have anything to do with the PLO. Others criticised the NCC on the grounds that its members were largely in sympathy with the Government, and that, because it was appointed, the King had the ultimate right of hire and fire.

It remains to be seen how effective the NCC is to be. Sharif Sharaf in a television interview last month gave one definition of its role in saying that "the King envisages this experiment as a step in the direction of dialogue and consultation and more participatory government than administrative improvement." Sharaf said that the law had defined the powers of the NCC as "First: every law or every legislation has to go through the consultative council which has to give the Government its opinion. Secondly: the council itself can propose legislation or can propose the amendment of legislation. Thirdly: the council can discuss public issues, or public policies in various areas. Fourthly: the council can look into the various services of the Government and ask questions and discuss these issues."

The key question will be the extent to which recommendations will be accepted. But an indicator of the exploratory nature of the NCC was given by Sharaf himself when asked about press coverage. He made the point that "We don't have censorship, but certainly our press people take into account the need to co-operate closely with the Government... they will be restricted by their own sense of responsibility in reporting proceedings, much as... members of the council ought to restrict themselves by their sense of responsibility from bordering on the negative and merely probable or even the destructive..."

Palestinians

This political approach has, of course to be tempered by the Palestinian presence on the East Bank which may constitute as much as two thirds of the population. Government officials with considerable justification maintain that to draw a distinction between Palestinians and "bedouins" is artificial. Firstly, this is because all are classified as Jordanians. Indeed, Jordan has been the only Arab country to grant passports and political organisation. It is full nationality to all Palestinians. Secondly, of the "bedouin" only one third are the wake of the apparent still migratory. However, there is no denying the fact that King Hussein depends heavily on the five work themselves out.






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Plan starts to yield results

JORDAN'S SMALL size makes it conducive to centralised planning but the economy's heavy dependence on the private sector precludes too much government control in charting the course that the development effort should take.

The result of this fundamental contradiction has been a successful middle course, in which the state's young, planhappy technocrats establish guidelines. Within these the private sector is encouraged to proceed by a combination of incentives and inducements, such as tax holidays, low-cost land and the provision of essential services, such as water and power.

Judging by Jordan's performance today—exactly half-way through the current 1976-1980 five year plan—one has to look favourably on both the country's approach to developmental planning, and its achievements. Overall the country's continuing successes over the past few years speak for themselves.

The current five-year plan is the latest and most dramatic example of the dominance of the private sector. Of the total planned investments of JD765m (\$2.5bn), just over 50 per cent—or JD383m—is supposed to come from private sector sources. And of the government share, the bulk comes from long-term concessional loans or grants from abroad.

Partnership

Given this reality of a planning-conscious government which is also cash-poor, the planning effort in Jordan has evolved into a close partnership between the public and private sectors—what one former government minister calls “a reflection of the concept of family” that pertains in the country.

The Government takes the leading role in large-scale economic planning of infrastructure projects which are beyond the means of the relatively small and conservative

private sector. These include the airports, the sole port at Aqaba, telecommunications and water projects, and productive schemes such as Jordan Valley irrigation projects, the Dead Sea potash plant, the chemical fertiliser plant at Aqaba and the mainstay of the economy over the past few years—the Phosphate Company.

The recent movement into projects on a far larger scale than ever before attempted in Jordan—such as the potash, Jordan Valley and fertiliser schemes, which will require a total of over \$1bn to get under way—has meant that international lending institutions and Arab aid funds have been called on to play a larger role than before in key projects. The fact that Jordan has never had any difficulty in finding international financial backing—in both equity participations and concessional loans—is in itself testament to the fundamental strength of Jordan's developmental drive.

For the first two years of the current plan, government capital investments have been running slightly behind schedule, but private sector spending has far exceeded its targets, particularly in such sectors as construction and tourism.

The plan anticipates a high annual growth rate of 12 per cent of gross domestic product, and this has nearly been achieved, with the annual increase in GDP over the past two years averaging about 10 per cent in real terms, according to preliminary estimates.

The current plan generally aims to increase the government's reliance on domestic revenues, decrease its dependence on external budget support and reduce the trade gap. While Jordan does not expect to be totally self-reliant by 1980 it does hope to be moving more vigorously in that direction.

This is expected to happen by raising the relative share of structural projects which are beyond the means of the relatively small and conservative

private sector. These include the airports, the sole port at Aqaba, telecommunications and water projects, and productive schemes such as Jordan Valley irrigation projects, the Dead Sea potash plant, the chemical fertiliser plant at Aqaba and the mainstay of the economy over the past few years—the Phosphate Company.

The slowly-increasing sophistication of the banking sector and the opening of the Amman stock market this year are just two of the means by which private capital is finding the institutional framework within which it can be channelled into productive investments instead of gravitating naturally towards quick-profit ventures in commerce and land speculation.

Testament

The brisk growth of the country's five specialised credit organisations—particularly the housing bank and the industrial development bank—is also testament to the development of domestic institutions which are proving themselves “credible,” as Crown Prince Hassan calls them, as vehicles for the mobilisation of domestic resources.

The recent establishment of two high-powered ministerial level bodies—the Development Credit Council and the Ministerial Committee for Development—has reflected the recent realisation that the implementation of the development plan has to be monitored much more closely. There has been a traditional feeling in Jordan that monetary expenditures necessarily reflect physical implementation of projects while in fact there is a large lag between the two that has only recently been appreciated.

There is also a new willingness in Jordan to implement the plan with more flexibility, postponing or slowing down some projects—such as the copper mining pilot project or the second cement factory—if overall priorities dictate this.

In any case the plan is seen by senior officials as “indicative” of where Jordan should be heading. This is in part due to the traditional and lingering heavy dependence on external budgetary support, which makes capital expenditures by the state hard to plan too far in advance.

Domestic revenues now cover only 75 per cent of recurring government expenditures, and the Finance Ministry is working on the assumption that Jordan will require \$180m every year in foreign budgetary support. This is, of course, always vulnerable to the fickleness of political tides, and there have been some worrying signs this year that the high level of foreign budgetary support, such as from the U.S., may drop slightly in favour of developmental assistance tied to specific projects.

There is also a realisation that the top priority concern of the government—slowing inflation—may require slowing down some parts of the development plan according to the dictates of tighter monetary policies. But overall, Jordan's planning strategy—like the state itself—has proved to be prudent and realistic as the biggest projects in the plan are now approaching full implementation. It is expected that more dramatic results will be achieved in the second half of the plan than during the first half, particularly in agriculture, industry and mining.

It is likely that regional events beyond Jordan's control, both political and economic, will continue to push the domestic economy in directions not wholly of its own choosing. But the difference today over 10 years ago is that Jordan's domestic economic and political situation is much sturdier, and correspondingly more able to withstand the buffeting it will continue to get from its central position in a turbulent region which has always made the task of the planners difficult.

Rami G. Khouri

Business centre

WHEN JORDAN passed special economic frenzy of the past a more realistic pattern of encouraging and welcoming the middle establishment of regional offices, but not clamouring for the international them.

The interesting thing is that of some companies, moving into the Middle East for the first time, are choosing Amman as their base, after reviewing the alternatives.

This is welcomed because it demonstrates that Amman is indeed a good centre to set up shop in, and it helps tone down lingering feelings that Amman can only build itself by taking away business from Beirut.

One such company that moved straight into Amman is the big out of every three new applications to set up regional offices in Amman. This reflects a growing Jordanian awareness that some of the regional offices are no more than part-time operations designed to take advantage of tax benefits more than anything else.

There are mixed feelings among those regional office managers already in Amman. Some say that the location and facilities of Amman are ideal for covering Syria, Iraq, Lebanon and Saudi Arabia, but not for an office that is responsible for major operations in the entire Gulf region and North Africa.

The latter type of wide-ranging operation is probably best handled out of Athens, or even London, some foreign businessmen say, simply because of the travel and communications advantages involved when one has to make a sudden trip to, and hotel reservations in, four countries within five days.

By contrast, if a consulting company wants to base a team of engineers in the Middle East to provide back-up for work being done in the Gulf area, Amman is an ideal location for operation requires today. In printing, translation, banking services or local consulting talent, for example, Amman is unable to match what Beirut is able to offer.

Its attractions, however, are that housing and office space is readily available and has turned to reasonable prices after the exorbitant price increases that accompanied the 1976-77 boom. Communications are good, particularly to Europe and the U.S., though less good when one wants to telephone Abu Dhabi. English is widely spoken and there is an open business atmosphere, where senior officials are readily

When Government officials realised the shortcomings of potential regional business centre, their capital's business infrastructure needs time more than structure, senior officials, in anything else. It has most of the cliding ministers and the attributes required of a good regional commercial centre, but it voluntarily gave up their private has also realised that its long-office telephone lines to enable term role is that of one of a some of the new regional offices series of such centres scattered throughout the Middle East and as promised in the new legislation. Europe. As a result, Jordanian tion. This is a good example of officials have now toned down how Jordanian officials are try- their previously boastful claims to come up with temporary to be an ideal relocation site solutions to the bottlenecks for those companies fleeing which emerged during the Lebanon, and have settled into.

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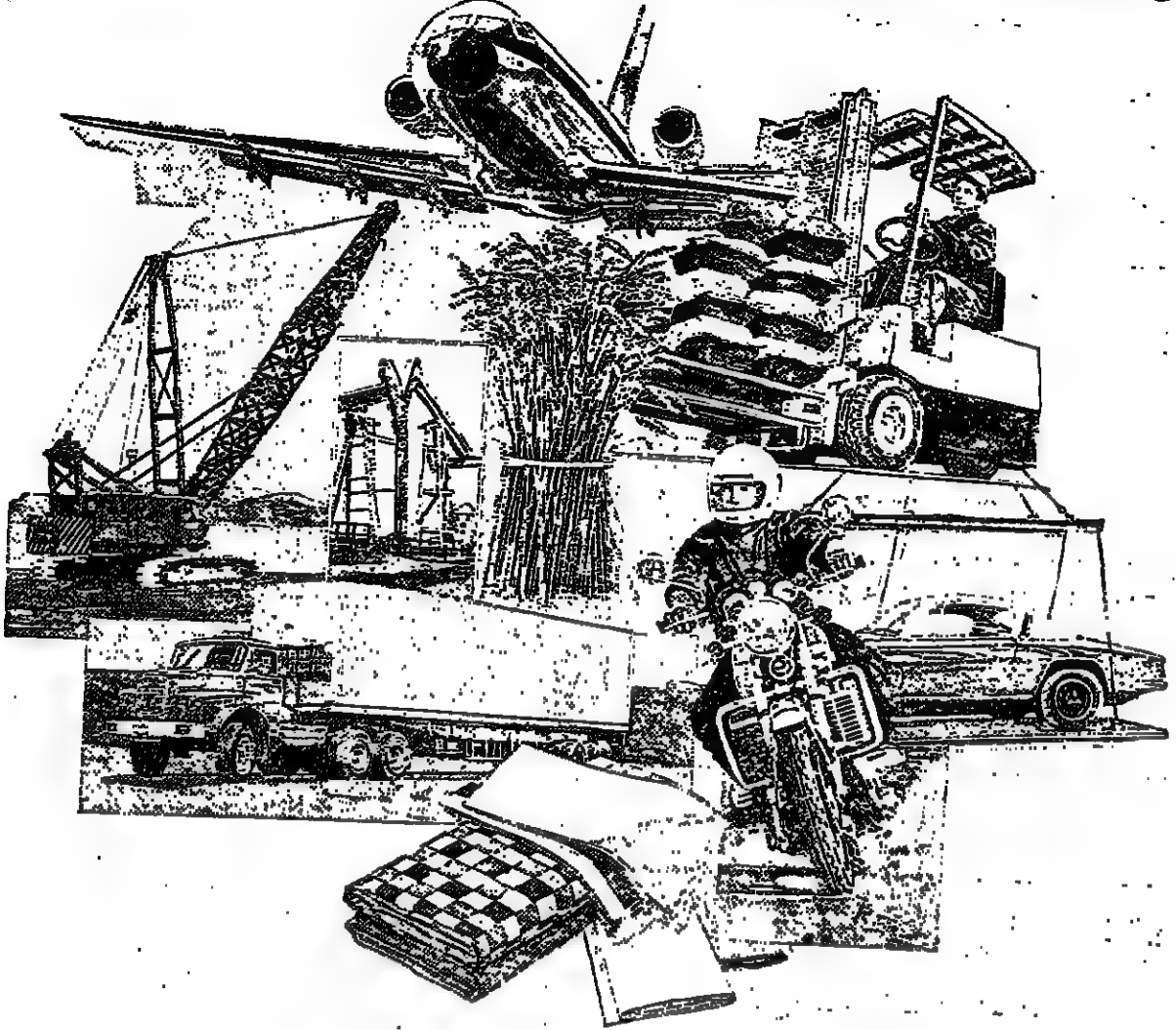
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The labour market

LABOUR continues to be Jordan's most serious constraint on development and economic growth, as well as the primary fuelling force behind inflation. But after two years of confusion on the labour market, Jordan's planners have now settled down to a two-pronged approach, concentrating on closer regulation and monitoring of labour movements, and, more importantly, on an increased effort to attract and supply more labour.

Jordan's dilemma is that it has produced a body of educated and skilled workers which is in high demand throughout the Arab oil-producing states. At the same time, it is philosophically committed to an open economic system. Thus it rejects out of hand the sort of restrictions on labour emigration practised in some other countries. The signs are that as Jordan's economic performance improves and as the boom on the Arabian Peninsula slows down, the balance may be tipping gradually back to Jordan.

Nevertheless the result has been a high emigration rate to jobs which may pay four or five times the salaries in Jordan, something that was welcomed when unemployment hovered near the 15 per cent mark in the early 1970s. But now with Jordan's own development drive picking up, as it has been for the past five years, demand for skilled workers at home is also high, and unemployment has been reduced to the negligible levels of one or two per cent. The simple statistics of the

labour picture are dramatic. According to official figures, there is a domestic work force of some 400,000 today, while an additional 250,000 Jordanians are working abroad.

There are positive sides to the labour outflow, primarily the high level of remittances sent back (at least \$800m a year at current rates), and the fact that when workers return home they do so equipped with advanced experience in their fields.

But the small Jordanian population of 2 million (on the East Bank) has not been able to keep up with the demand at home and abroad for skilled and semi-skilled workers, with the result that continued high labour demand has pushed up wages significantly over the past three years—thereby also pushing up costs and prices in general.

Free-market forces have plugged some gaps in the labour picture by importing unskilled and some skilled workers from other Arab countries, primarily Egypt and Syria, as well as from Pakistan and South Korea.

Labour, Ministry officials say there are over 70,000 immigrant workers in Jordan today, mostly Egyptians, Syrians and Pakistanis. More important, they expect that every Jordanian who leaves for work abroad now has to be replaced directly or indirectly by an imported worker.

To monitor and regulate this two-way flow more coherently, the Ministry has embarked on a programme of signing strict bilateral labour agreements with, most importantly, Pakistan, Saudi Arabia, Libya, Kuwait, Egypt and the smaller Gulf oil producer states.

The first agreement was signed with Pakistan earlier this month but is meant primarily to monitor the inflow of Pakistani workers, as Jordan does not export workers to Pakistan. Similar accords are expected

to follow this year with the key Arab states which exchange labour with Jordan. In an effort to keep close account of exactly what kinds of and how many Jordanians are working abroad, and parallel data on imported workers who have to fill in the shortages and gaps that have appeared in some key sectors of the Jordanian economy—particularly among skilled engineers, foremen, electricians and the like.

While the Labour Ministry will not prohibit workers from leaving—as is done in Syria, Libya and Iraq—it will institute a tighter registration procedure for outgoing workers, which will include a more vigorous effort to spell out the opportunities at home that the Government, in planning worker training programmes and projecting future labour trends, estimates that nearly one-third of new eligible workers will emigrate, and has built this assumption into the programmes of the new Vocational Training Corporation.

The other area where the supply side of the picture is getting much emphasis is in encouraging more women to enter the labour force. Part of Jordan's labour shortages are due to a very low participation rate by women, and also by the fact that 80 per cent of the population is under the age of 15, and thus is at school.

Establishment of the Department of Women's Affairs in the Labour Ministry, and accelerated programmes to open day-care centres to facilitate the life of working mothers has already helped increase the participation rate of women. Labour officials say this has risen from a participation rate of five per cent of eligible working women in 1974 to some 12 per cent to-day, with many

women entering unskilled factory jobs, such as in packaging work in the tobacco or pharmaceutical industries.

In the longer run, the hope of government planners is that the financial attractiveness of working abroad will be offset by the total "quality of life" advantages in Jordan. Crown Prince Hassan often mentions the concept of a "social package" in Jordan which includes home ownership schemes, a new social security programme that will get under way next year, increased government services in schooling, health, transportation and power, to mention only the most obvious.

In addition there is to be a more balanced regional distribution of services and industrial incentives throughout Jordan, together with the delivery of social services with economic developments—to make the total picture of a worker's life in Jordan just as appealing as the financial attractions of a job in the oil states.

Certainly in fields where domestic wages have risen sharply—such as engineering or top-level managers—the non-financial benefits of life in Jordan are starting to return the scales towards equilibrium when it comes to considering a move to a new high-paying job in a neighbouring Arab country.

This will continue to happen as the rate of wage increases continues to match or even surpass the rate of price increases, as is happening now in some sectors. The signing of bilateral labour agreements, however, and the successes being registered in vocational training schemes and the promotion of women workers, appear to signal Jordan's fragile and nascent ability to deal with a problem which appeared menacingly insoluble only a year or so ago.

R.G.K.

Manufacturing and mining

IN A COUNTRY where most things are small-scale, the mining and industry sectors of the economy are the important exception to the rule. If one segment of the current five-year plan were to be designated the most vital to Jordan's long-term economic and social development plans, it would have to be mining and industry. This contention is bolstered by the fact that this sector takes up the single largest slice of the plan's investment targets (JD229m — \$734m — out of JD765m — \$2,581m), and is expected to show the largest growth rate, targeted at 25 per cent annually and 221 per cent over the five-year period 1978 to 1980.

Performance to date—halfway through the plan—has been generally positive, but lagging behind schedule in the large Government-run schemes, while running far ahead of expectations in the private sector.

The trend towards a growing productive sector (mining, industry and agriculture) at the expense of the traditionally oversized services sector has continued during the past two years. Industry's share of GDP had risen from some 10 per cent in 1972 to nearly 19 per cent by the beginning of last year.

Mineral-based (particularly fertiliser-producing) industries dominate the industrial sector, and will continue to do so for many years to come. The Big Three schemes here are the existing phosphate mines and the Dead Sea potash and Aqaba chemical fertiliser plants which are both now in the first stages of construction.

Raw phosphate rock production by the State-owned Jordan Phosphate Mines Company rose slightly last year to a new all-time record of 1.77m tons, while exports similarly hit an all-time peak of 1.78m tons.

But phosphate revenues—the single biggest export earner—dropped slightly last year to \$59m from 1976 revenues of \$64m, reflecting a continuing but small deterioration in international phosphate prices and the break-up of the informal marketing club with Morocco, Tunisia and Senegal. [This was due to Eastern Bloc philosophical resistance, apparently, an important consideration given that East European States last year were Jordan's biggest market for phosphates.] Marketing co-ordination with Morocco continues, however.

But work is proceeding on expansion of phosphate facilities at the main Hassa mines in the centre of the country and at the new facility in the south, at Shadiya. Production capacity will be 6m tons a year by 1980. By that time, the two other big fertiliser-producing schemes will be nearing completion.

Potash

The Dead Sea potash project, with its annual production capacity of 1.2m tons, is expected to come on stream by the end of 1981, and to raise its output gradually to 1.7m tons by the mid-1990s. Its cost of \$425m will be covered almost completely by equity capital and concessional loans, with a small commercial loan perhaps being required this year.

The chemical fertiliser plant, now also under construction at the southern port of Aqaba, is expected to start production slightly earlier, by mid-1980. The \$325m plant, whose technical management has been awarded to Mitsui Toatsu Chemicals of Japan, will have a capacity of 1,250 tons per day of phosphoric acid, 3,600 tons per day of sulphuric acid and 2,400 tons per day of monoammonium and/or diammonium phosphate fertiliser.

This project is similarly

financed by a combination of equity capital and long-term loans, and will also require a small (\$30m to \$50m) commercial borrowing to complete the financing package. The combination of raw phosphate rock, chemical fertilisers and potash that Jordan will be able to offer customers after 1980 will put it in a strong international marketing position—particularly with customers requiring "compound fertilisers" which can be conveniently mixed to specification at Aqaba port. Also being considered by Jordanian officials is the establishment of a joint—or at least closely co-ordinated—marketing effort for all three fertiliser companies.

The other two big mineral-based industries—the Zarqa oil refinery and the Puhes cement plant—are in the midst of large expansion programmes that will allow them both to meet Jordan's domestic requirements for many years to come. Neither exports any of its output.

The oil refinery's capacity is being expanded from an annual 1.25m tons to 3.75m tons by 1979, and the cement plant will increase its output from 1,700 tons a day to 3,700 tons.

In oil exploration, the first two wells were drilled, this spring in northern Jordan, near Irbid, but Jordan's hopes of becoming an oil or gas producer are strictly limited.

Schemes

While this handful of large-scale schemes dominates the country's industrial sector—and is peculiarly split between industries which are totally export or totally domestically orientated—the long-term aim of developing greater economic self-reliance in Jordan is pinned more closely on the development of small and medium-sized industries, to service both the small domestic market and the mammoth regional export market.

In this area, investments by private sector financiers have been running well ahead of the guidelines set out in the five-year plan. The Ministry of Industry and Trade licensed 129 new projects last year, compared to 203 in 1976, but the investments last year were higher than in 1976 (JD 23m—\$73.7m compared to JD16m—\$51.3m).

This indicates a slight shift to larger-scale projects servicing both domestic and regional demand, with an emphasis on schemes to produce matches, detergents, medicines, paper bags, asbestos pipes, prefabricated houses, wooden doors, shoes, ballpoint pens, chemicals, various food processing plants, and construction industry materials. There is also a tendency towards less labour-intensive projects, in favour of capital-intensive schemes and mechanisation, as something of a natural reaction to the delicate labour situation.

The performance and establishment of small and medium-scale industries will be helped further during the coming years by the Government's increasing attention to directing private capital and excess liquidity (including much of the remittances of the 250,000 Jordanian workers abroad) towards productive industries and away from land speculation and commerce.

The specialised credit institutions, such as the Industrial Development Bank and the Housing Bank, have both proved their worth in this effort, and are emerging as major forces—along with other specialised credit bodies—in channelling domestic and foreign resources into productive areas, particularly new and expanding export-oriented industries.

R.G.K.

Agriculture

AGRICULTURE HAS the second top priority in Jordan's current five-year plan, after mining and industry, but it has traditionally been a problem sector due to the great reliance of farmers on unpredictable rain-fed agriculture. Both 1975 and 1976 were poor crop years, again due to insufficient rainfall, and 1977 appears no better.

But a major push in irrigated farming schemes has finally started to take effect as the first sprinklers in the all-important Jordan Valley irrigation projects were switched on this month (May), heralding a new and less fickle era for Jordanian farmers. The emphasis now is on irrigated production of high-value fruits and vegetables, with relatively less concentration on difficult wheat and barley farming in the rainfed uplands.

The bulk of the JD112m (\$359m) investments in agriculture earmarked in the current 1976-1980 five-year plan will provide infrastructure and water for projects in the Jordan Valley (both above and below the Dead Sea) and the northern uplands. The plan's targets are to raise agricultural income by 40 per cent to JD42m (\$134.6m) by 1980, compared to JD30m (\$96m) in 1975. This would represent a realistic 7 per cent annual growth rate, and aims to bring down agriculture's relative share of GDP to just over 8 per cent by 1980 (down from 14 per cent in 1972 and 10 per cent in 1975).

The showcase of Jordan's belated agricultural drive is the Jordan Valley integrated development plan. This is raising agricultural production, which will contribute to increased exports and thereby will help cut the country's large trade deficit. The second is the Valley's comprehensive regional planning approach, which must show quick success if Jordan is to avoid becoming merely a city-state centred around the capital of Amman.

After the 1967 war and the 1970-71 internal fighting, the Valley's population dwindled to just over 5,000 harried farmers. Through a combination of state and private sector efforts, the Valley now counts over 85,000 residents, and the Jordan Valley Authority (JVA)—the overall agency with total control there—aims to bring the area's population up to 150,000 by 1983.

This will be done by providing the full range of agricultural and social infrastructure, including water, sprinkler systems, roads, homes, schools, telecommunications, hospitals and agricultural marketing services. A key feature of the Valley project is that it aims to attract new farmers by assuring them

of a per capita income significantly higher than the national average of some \$500. Average agricultural incomes are now half this sum.

A total of 36,000 hectares of irrigated land is the aim of the JVA, which will mean converting some existing surface irrigated land to sprinklers and adding 23,000 new hectares of sprinkler-irrigated land in the coming five years.

Water to make this all work is already stored behind the newly completed King Talal Dam on the Zarqa River but the bulk of the water for the Valley will come from the Maqarin Dam, which is now in the design stage and is planned to store 250m cubic metres of water when it is built across the Yarmouk River, in the north along the Syrian border. Concessional loans will finance most of the valley projects, which will require well over \$500m.

The recent use of simple hot-houses and drip irrigation has already increased crop yields in the Valley, whose fruits and vegetables, exported to the neighbouring Arab oil producers, account for about one-third of Jordan's exports. Next to phosphates, food products are Jordan's second largest export item.

But overall, Jordan remains a heavy importer of food, particularly wheat and red meat. In fact about a full half of Jordan's food requirements are imported, accounting for about one-third of total imports. Last year's unexciting agricultural performance means this trend continues unchanged, and it will require at least two more years for sufficient produce to come up from the Valley to make a significant change in Jordan's food importing pattern.

In the case of grains, Jordan is cutting back the amount of land used for wheat and barley, in favour of planting more fruit trees in the rainfed uplands. Last year's wheat and barley harvest, at 62,000 and 12,000 tons respectively, were slightly down from 1976 yields. This compares to annual cereals consumption of some 300,000 tons in Jordan. The gap is filled by imports financed by long-term soft loans.

Successes have been registered in poultry (in which the country is now self-sufficient) and a programme backed by the World Food Programme to substitute fruit trees in marginal land that had been used badly for grain production. Fodder production is also being encouraged in marginal areas, with the aim of raising animal feed output to 175,000 tons by 1980.

Some of the traditional problems that have also held

back agricultural production in Jordan are fragmented land holdings, a lack of marketing expertise and poor co-ordination between the Government and the private sector farmers.

The small land holdings problem is being tackled by the emphasis on irrigated fruit and vegetable production. In the Valley according to strict licensing by the JVA which will also help remove some of the seasonal marketing uncertainties that usually plagued farmers in a country where more attention has traditionally been paid to the consumer of food than to the producer.

There have also been recent experiments by which some farmers have been able to plan their season's plantings by getting advance guarantees from state marketing bodies to buy a certain quantity of produce at a guaranteed price. This has been tried especially with onions and potatoes.

The Government has got into the habit of suddenly prohibiting exports of certain fresh vegetables and fruits to raise supply and lower prices in Jordan for the consumer. This makes the farmer's life easier but the farmer's more difficult. A related problem has been that middlemen make the largest profits from agricultural export sales, while the farmers themselves do not reap the full benefits of their proximity to high-demand and high-paying markets in the oil states of the Gulf.

Overcome

This is being overcome in some cases by the farmers themselves, through the Jordan Co-operative Organisation and other such bodies. Many of these traditional problems associated with a lack of planning and haphazard marketing are being slowly brought under control as the JVA controls matters more closely.

Similar to its labour situation, Jordan's agricultural dilemma is that it has significant potential at home but has to align this with the financially attractive demands of neighbouring countries.

Steady progress on the Jordan Valley projects augurs well for everybody—farmers, consumers, neighbouring states and the central government planners with their export-orientated emphasis. But this large-scale effort in the Valley includes the realistic assessment that Jordan will always require to import grains and meat, and the best that can be hoped for is that domestic production and high-value, all-season exports will offset the trade gap in agricultural products alone that has hovered around the \$200m mark for the past few years.

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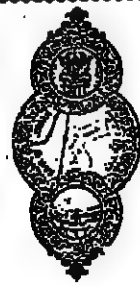
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APPOINTMENTS

Dr. Haigh heads BNOC research

Dr. C. P. Haigh has become director of research in the BRITISH NATIONAL OIL CORPORATION. In his previous appointment with the CEGB, Dr. Haigh was responsible, as director, for establishing the Berkeley Nuclear Laboratories and more recently as deputy director general (design) in the Board's generation development and construction division in Gloucester.

Mr. Richard Bailey has been appointed a director of SUNLEY INVESTMENT TRUST (MANAGEMENT) and continues to have responsibility for new property developments.

The following have been appointed to the City of London Branch committee of the BRITISH INSTITUTE OF MANAGEMENT: Mr. John R. Beever, Mr. S. J. Murphy, Mr. J. G. Chapman, Diane J. Garrard and Mr. A. C. Osman.

Mr. George Buck, foreign exchange manager of BANQUE NATIONALE DE PARIS, retires at the end of this month.

Mr. Harold Porter has been appointed financial director by ALCAN WINDFOWS following the integration of Alcan Booth Systems and Gardiner Alumin. Mr. Porter is a former financial director of Alcan Booth Extrusions. He has completed a special assignment as financial assistant to the deputy managing director of Alcan Aluminium (UK).

Mr. R. A. L. Phipps has been appointed a director of SLOUGH ESTATES with special responsibility for development programme in UK and Europe.

Mr. J. H. P. Köhler, managing director of Lanco Paper Sales, London, has been appointed managing director of the FINNISH BOARD MILLS ASSOCIATION, Helsinki, from November 1. He will join Finnboard on August 1 prior to the retirement of Mr. B. Grünhagen, the present managing director.

Mr. E. Michael Gwyther has been appointed a director of AVANA GROUP. He is general manager and a director of the Carlyle Trust and has been an alternate director of the company for the past five years.

Mr. Frank Collins and Mr. Gordon Head have been appointed joint managing directors of GALLUP POLL. Mr. Norman Webb has resigned to give more time to his position as co-ordinator of Gallup International. Mr. Robert Webber, Mr. Malcolm Maher and Mr. Graham Dossent have joined the main board of Gallup Poll.

Mr. W. H. Alexander, of Marconi Avionics, has been elected chairman of the council of the Union Corporation group.

BUSINESS AIRCRAFT USERS' ASSOCIATION, succeeding Mr. Angus Mackenzie-Charrington.

Mr. John Mason has joined the Board of SOFTWARE SCIENCES COMPRISE as technical director.

Mr. R. H. Coleman-Cohen has been appointed deputy chairman of the ALLIANCE BUILDING SOCIETY. He succeeds Mr. R. E. Braybourn, who vacates the position after his year of office.

The NATIONAL RADIO-LOGICAL PROTECTION BOARD has appointed Dr. J. C. A. Ralston to be deputy director (medical and scientific) from July 1. Mr. L. D. G. Richards remains deputy director (policy and administration) and secretary to the Board.

Mr. E. C. Hammond has been appointed adviser to the general manager of MYTUS AND CO., London, in addition to his position as assistant general manager, London.

Mr. Peter Sachs has been appointed managing director of CPI DATA PERIPHERALS, a European member of Computer Peripherals, Inc. Mr. Sachs was previously in charge of Rank Xerox's electronics operations.

Mr. J. Hillman, Mr. J. Jones and Mr. F. Ross have been appointed additional directors of PHOENIX WHARF, members of the Phoenix Timber group.

Mr. Frank V. Whitby has been appointed manufacturing director on the Board of FRANK R. FORD, a member of the Ofrax Group.

Mr. L. R. Patterson has been appointed a director of CONSOLIDATED PLANTATIONS and Mr. A. J. Sumner has resigned from the Board. The company is a member of the Sims Darby group.

Dr. Ken Duncan has been appointed by the Health and Safety Commission to be the third member of the HEALTH AND SAFETY EXECUTIVE for three years from July 1. He will succeed Miss Audrey Pidd, who is retiring at the end of next month. At the same time Mr. Cyril Burgess will replace Miss Pidd as director of the hazardous substances division.

Mr. Ivor Mills is leaving ITN on June 23 to become head of public affairs at the POST OFFICE.

Mr. Basil Landau has been appointed deputy chairman of SAGPI and continues as chairman of the executive committee. Mr. Landau, who is a director of Union Corporation and head of the industrial division of that concern, also retains his responsibilities as director and Board appointments in man of the council of the Union Corporation group.

U.K. ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. orders	Retail vol.	Retail value	Unemp.	Vacs.
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1977							
2nd qtr.	101.9	103.0	105	102.5	222.0	1,330	163
3rd qtr.	102.7	102.7	107	104.2	234.2	1,418	151
4th qtr.	101.9	102.5	107	103.1	239.4	1,431	157
Nov.	101.6	102.1	100	103.1	236.2	1,433	156
Dec.	102.5	103.6	115	106.9	246.0	1,428	153

1978							
1st qtr.	103.8	103.9	106.3	104.0	241.0	1,419	180
Jan.	103.2	103.4	107	104.9	241.0	1,419	180
Feb.	103.9	103.9	107	104.9	246.5	1,409	187
March	103.7	104.5	107.0	104.9	246.8	1,406	186
April			106.5			1,387	204
May						1,368	210

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textiles	Leather	Housing
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1977								
2nd qtr.	113.4	97.6	105.3	98.8	50.5	100.2	25.1	
3rd qtr.	115.2	97.6	104.9	99.3	53.3	100.9	25.4	
4th qtr.	116.7	97.2	101.4	98.9	54.8	99.4	20.7	
Nov.	116.0	97.0	101.0	98.0	50.0	97.0	21.2	
Dec.	115.0	97.0	102.0	99.0	50.0	97.0	16.1	

1978								
1st qtr.	116.4	98.3	105.1	100.2	50.9	100.3	17.8	
Jan.	116.0	98.0	104.0	100.0	50.0	99.0	17.5	
Feb.	117.0	99.0	106.0	100.0	50.0	100.0	15.3	
March	117.0	99.0	105.0	101.0	50.0	101.0	20.0	

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Current balance	Oil balance	Terms trade	Resv. US\$bn
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1977						
2nd qtr.	118.0	109.8	-764	-364	-745	14.9
3rd qtr.	117.9	106.4	-54	-483	-602	10.3
4th qtr.	117.9	106.4	-54	-483	-602	10.3
Nov.	115.3	98.4	-68	-170	-557	10.24
Dec.	118.9	108.1	-76	-26	-275	10.1

1978						
1st qtr.	120.5	113.6	-520	-220	-645	10.49
Jan.	112.3	114.3	-332	-232	-236	10.54
Feb.	117.0	108.1	-82	-182	-202	10.48
March	121.4	116.4	-270	-170	-184	10.47
April	126.3	102.0	+236	+336	-115	10.40

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (3m); building societies net inflow; HP, net credit; all seasonally adjusted. Minimum lending rate (end period).

	M1	M3	Bank adv.	DCE	BS	HP	MIR
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1977							
2nd qtr.	24.8	14.9	3.5	+769	1,290	1,047	8
3rd qtr.	23.0	10.4	20.3	+385	1,084	1,149	7
4th qtr.	25.1	12.6	8.4	+698	1,565	1,189	7
Nov.	27.9	15.9	6.1	+358	1,424	1,481	7
Dec.	23.2	12.6	8.4	+161	421	410	7

1978							
1st qtr.	25.1	24.2	17.5	+1,819	1,049	1,260	61
Jan.	23.2	17.3	33.4	256	388	429	61
Feb.	26.8	25.5	17.9	963	353	415	61
March	25.1	24.2	17.5	598	308	413	61
April	19.1	24.7	12.6	1,248	335		7

INFLATION—Indices of earnings (Jan. 1976=100), basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1982=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings	Basic mfg.	Wholesale mfg.	RPI	Foodst.	comdty.	Strig.
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1977							
2nd qtr.	114.5	347.7	259.2	181.9	191.1	259.9	61.8
3rd qtr.	116.1	348.5	267.7	184.7	192.1	239.9	61.5
4th qtr.	119.9	350.7	272.1	187.4	193.5	234.20	63.3
Nov.	120.1	329.9	272.0	187.4	193.5	234.20	63.3
Dec.	121.7	328.0	272.3	188.4	194.8	234.0	63.8
1st qtr.	123.0	326.7	278.9	190.6	197.3	238.51	64.6

1978							
Jan.	121.5	324.9	277.1	189.5	196.1	226.41	65.0
Feb.	122.7	324.2	279.2	190.6	197.3	234.85	66.0
March	124.8	320.9	285.5	191.8	198.4	234.61	61.8
April		337.2	286.6	194.6	201.6	238.94	61.4

* Not seasonally adjusted.

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FARMING AND RAW MATERIALS

Cane sugar nations seek 9% rise from EEC

BY OUR COMMODITIES STAFF

DEVELOPING countries which supply the Common Market with 1.3m. tonnes of cane sugar a year yesterday asked the EEC Commission to raise the price by 9 per cent from the current level of 11.5 per cent.

In a public campaign which started some weeks ago, the cane sugar producers have been complaining that although their price is supposed to be fixed within the range of rates applying in the EEC, in practice they have not succeeded in obtaining anything above the lowest common market rate.

The Commission said he had no room for manoeuvre with the 278 units of account a tonne on offer.

The ACP's leading negotiator, Ratu Sir Kamiseva Mara, Prime Minister of Fiji, had asked for 297.1 units of account. He said this was needed to cover rising production costs and losses caused by inflation.

He pointed out that the price guaranteed to ACP suppliers had risen only 6.7 per cent in the past three years while the Common Market's guaranteed price for beet sugar had gone up 11.8 per cent.

A Commission study of sugar prices shows that last year the price guaranteed for ACP imports was 57 per cent higher than the average rate prevailing on the "free" world market.

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Tate and Lyle, which handles almost all the cane sugar, said that rather than demand higher prices, the ACP exporters should be considering the level at which cane sugar could compete best with EEC produce.

The Fiji premier also demanded that the cane sugar should be backdated to the start of this year instead of starting on July 1.

Under the sugar protocol of the Lomé Trade and Aid Convention with 53 ACP states, the EEC guarantees to import 1.3m tonnes of sugar a year for seven years at a price to be negotiated annually within the range of rates given to Common Market producers.

The Commission's sugar management committee yesterday approved the export of 50,786 tonnes of white sugar to non-ACP countries with a maximum export subsidy of 23,191 units of account per 100 kilos.

This was 10,000 tonnes more than the quantity cleared at last week's tender.

On the London world sugar market the daily price for raws was fixed £1 a tonne lower at £100.

Weekend roast goes up again

By Our Commodities Staff

SHOP PRICES of home-killed lamb have gone up sharply again this week. Best cuts of beef are also dearer, although prices for other meats are generally lower.

Leg of lamb is 4p a pound cheaper on average, selling at £1.22 a week ago and only £1.14 in the first week of the month, according to the Meat and Livestock Commission's weekly slaughter report.

The average price of boneless sirloin has gone up another 2p a pound during the week to £1.56p. Rump steak now averages £1.53 a pound, and chops up to £2.08. Average price at the start of the month was £1.77.

Mr. Colin Cullimore, managing director of Dewhurst, the High Street butchers' chain, claimed yesterday that reports of a shortage of meat supplies were not true. "The housewife, after the recent price increases, should now enjoy a period of price stability."

Beef and pork prices are likely to remain constant until the autumn.

The Meat Trades Federation, which represents independent butchers, is planning to appeal to the Ministry of Agriculture for the release of beef from the EEC's 350,000-tonne surplus stock and controls on the export of meat.

The Ministry is expected to announce the release today of 1,000 tonnes of cold store beef for sale at specially reduced prices to "social institutions."

CONCERN ABOUT Brazilian weather prospects continued to dominate the world coffee market yesterday. In London futures prices rose sharply and the June contract rose to £285 a tonne.

Reports of a light frost in Southern Brazil on Monday night had been played down by local trade sources, who said the affected area was not part of the coffee-growing region. A similar frost had been shrugged off for the same reason.

Most London coffee traders agree that it is still far too early for the Brazilian crop to be hit by a serious frost, but these two early scares appear to have put a large section of the market into a nervous mood.

Many speculators made covering purchases against earlier "short" sales yesterday rather than risk running their "positions" over the coming long weekend.

UK sales of sugar confectionery jumped from 317,000 to 331,000 tonnes last year, and expenditure by £28m. to £28m., equivalent to £2.08 a head.

The Alliance's annual report shows that chocolate consumption in the U.K. fell to 339,000 tonnes last year from 345,000 tonnes in 1976. This is still above the low 1977 figure, but well down on 1974.

Expenditure last year on chocolate products jumped by £161m. to £783m.—equivalent to £14.03 per head, against £11.39 previously.

UK sales of sugar confectionery jumped from 317,000 to 331,000 tonnes last year, and expenditure by £28m. to £28m., equivalent to £2.08 a head.

Cobalt price up

BY JOHN EDWARDS, COMMODITIES EDITOR

THE ZAIRE metals marketing organisation, Sozacom, confirmed yesterday it is raising the price it charges for cobalt by nearly 30 per cent with immediate effect.

The UK price goes up from £2,250 to £2,925 a tonne and the world U.S. quotation from \$6,250 to \$8,500 a pound. This is in line with the increases announced by Zambian and Finnish producers earlier this week.

Meanwhile in the free market cobalt is being quoted at \$22.50 a pound, although little business is reported since consumers are apparently holding off buying until the production situation in Zaire becomes clearer.

The general view of dealers is that prices are likely to rise further in the months ahead if conditions at the Zaire mines are as bad as feared. They claim that the new producer price of \$8.50 is largely nominal since it is only available to consumers through a contracted supplier, which are already strictly rationed.

Anyone wishing to make up a shortfall in cobalt requirements will have to pay the free market price.

It is also claimed that in many uses cobalt is not substitutable by other metals such as nickel, which can be used as a replacement only in some areas.

It was confirmed that the Soviet Union was a prominent buyer of cobalt earlier this year. One London dealer sold a substantial quantity in February. He pointed out that Communist bloc buying tended to be highlighted by the fact that it was all channelled through one state buying organisation rather than the fragmented buying by Western world consumers.

He said the turning point in the cobalt market had come when the U.S. stockpile authorities decided to increase the stockpile target instead of disposing of surplus sales.

The U.S. has virtually no domestic production of cobalt, which is found almost exclusively in Africa. It is therefore reluctant to run down strategic stocks.

Copper rise 'set to continue'

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES will continue to rise, Mr. Robert Perlman, managing director of Commodities Research Unit predicted yesterday.

Speaking at the London conference of the Bureau International de la Recuperation, Mr. Perlman said that the conflict in Zaire's Shaba province had cut world copper supplies by more than 300,000 tonnes immediately, while production would be disrupted for some time to come.

Output was likely to be reduced to an annual rate of little above 100,000 tonnes compared with nominal capacity of 575,000 tonnes.

He said it was wrong to think that the high level of refined copper stocks, still overhanging the market, would be the interruption of Zaire supplies.

The market for concentrates and unrefined blister copper was "tight" and would have continued to be so, even without the fighting in Zaire. There would

certainly be some falls in stocks, and probably reduced throughput in European and Japanese custom treatment plants in the months ahead.

Yesterday, copper prices rose on forecasts of a cut in Zaire deliveries. There were some profit-taking sales at the higher levels, however, which restrained the rise.

Meanwhile, U.S. copper producers have claimed that a reduction in copper imports next year to 198,000 short tons is essential to relieve the depressed situation in the U.S. copper industry. Reuter reports from Tucson, Arizona.

The proposed quota would be 198,000 short tons below actual 1977 imports of 390,000 short tons.

At a hearing before the U.S. International Trade Commission, Mr. Douglas J. Bourne, president of Duval Corp., speaking for all 12 major American copper companies, recommended that the quotas be imposed until 1983.

INDIAN FOOD GRAIN

Irrigation eases harvest fears

BY K. K. SHARMA IN NEW DELHI

INDIAN FOODGRAIN production is estimated at a record 125m tonnes in the food year July 1977 to June 1978, and the Agriculture Ministry is making preparations for a minimum production of 126m tonnes in 1977-78.

This should be possible, even if the monsoon is below average this year, because of the country's rapidly increasing irrigation potential and the rise in consumption of inputs like fertilisers. If the monsoon is good, production could reach 130m tonnes.

Officials admit that malnutrition is still a problem, although they do not confirm reports that about 30 per cent of the population is affected. This is a problem, however, that can be tackled only through higher purchasing power, which means economic growth. This apart, it can now be said that India is over the "short" phase of producing enough food for its people is concerned.

The Government has set a target of 15m tonnes of foodgrain as a buffer stock to be used when natural calamities affect food production. The buffer stock is at present just over 16m tonnes, although there are another 4.5m tonnes avail-

able as what officials call "operational stocks."

After the present procurement campaign is over by July, stocks are expected to total about 20m tonnes, which is more than adequate to cope with any crisis.

India has had a run of good monsoon years and it is possible that this year will not be as kind. The Government is preparing for what it calls an "average" monsoon. If 126m tonnes can be produced when weather conditions are not good, it will mean that a high potential of minimum production has been created.

Consumer demands will vary according to purchasing power, but it is estimated that it will be roughly 125m tonnes in 1977-78. The food situation is now "stabilised" because of both the comfortable stocks position and the planned increase in irrigation and fertiliser consumption to make further annual increase in production possible.

Stocks are such that India can cope with a major calamity like drought and floods without the need for imports for at least one year—a dramatic change from the position just five years ago.

India has actually begun exports in a small way, although these are at present limited to "loans" to Vietnam (370,000

tonnes) and Afghanistan (50,000 tonnes) and a gift of 1,000 tonnes to Laos. In addition 1.4m tonnes of the 2m tonne wheat loan taken from Russia in 1973 has been repaid.

Two key projects are now being implemented. The first is the "food for work" project, under which 200,000 tonnes of wheat are used to pay labourers on irrigation and other schemes last year. The experiment is proving a success and is helping to improve nutrition. The target is to increase the amount of "food for work" this year to 1m tonnes.

It is important to increase storage facilities, especially since considerable damage has been caused to existing stocks. This is being attempted both through projects aided by the World Bank (adding 3.5m tonnes of storage space) and schemes for Governmental financial assistance to be given to private agencies.

In the estimated 125m tonnes of grain produced in 1977-78, there is a record rice production of 52m tonnes, a record wheat output of 31.1m tonnes and a record sorghum production of 12m tonnes.

Total output of "coarse" grains is 11.5m tonnes, including sorghum, millet, pulses,

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Chocolate price rise warning

BY OUR COMMODITIES EDITOR

FURTHER RISES in chocolate prices in the U.K. could not be avoided, Mr. D. M. Anderson, president of the Cocoa, Chocolate and Confectionery Alliance, warned yesterday.

In a cautious statement, Mr. Anderson said that the failure of cocoa prices to decline further, plus rising costs of other ingredients and general inflation, meant that it would not be possible to prevent chocolate prices going up.

Food makers' costs fall

BY OUR COMMODITIES STAFF

AVERAGE PRICES of inputs in the food manufacturing industry are now 4 per cent lower than they were a year ago, Mr. Robert MacLennan, Parliamentary Under-Secretary for Prices and Consumer Protection, told the National Federation of Wholesale Grocers in London yesterday.

"The benefits of this are likely to continue," he added. "We have in prospect the beginnings of not a vicious, but a virtuous circle."

Stability in commodity prices and restraint in wage claims has promised a real prospect that

However, the first three months of this year had seen a surprising increase of more than 4 per cent in sales of chocolate products in the U.K.

Mr. Anderson could not explain what had prompted the recovery in demand, but emphasised the confectionery trade was very resilient. Other explanations offered were that demand had been boosted by the cold, wet spring, the early Easter holiday,

This improvement in the food price index was neither a freak figure nor some statistical aberration. It represented a real improvement with every indication that it was not simply a temporary phenomenon, he added.

In April, the rise in food prices was down to 0.3 per cent—more than 1.5 per cent below the overall increase in the retail price index and the lowest figure since 1970, Mr. MacLennan claimed.

This improvement in the food price index was neither a freak figure nor some statistical aberration. It represented a real improvement with every indication that it was not simply a temporary phenomenon, he added.

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COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Higher main. After opening at 774.50 on a disappointing overnight "Comex" forward metal market, copper advanced on reports of a possible strike by miners coupled with good demand from the U.S. market. The price rose to 784.50, a high of 789.50, and closed at 784.50. The market was active, and the price of copper was 784.50.

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COFFEE

ROBUSTA continued their recent upward, as speculators increased their holdings of the commodity. The price rose to 181.50, a high of 182.50, and closed at 181.50. The market was active, and the price of coffee was 181.50.

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Food

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FT SHARE INFORMATION SERVICE**ENGINEERING—Continued**

DRAPERY AND STORES—Cont.

BUILDING INDUSTRY—Cont

AMERICANS Continued

****BRITISH FUNDS**

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

126	161	Treasurer, 1892-1893	1029	1246	1245
127	162	Fundraising, 1893	1030	1247	1246
128	163	Treasurer, 1893-1894	1031	1248	1247
129	164	Treasurer, 1894-1895	1032	1249	1248
130	165	Each 1895-1896	1033	1250	1249
131	166	The year, 1896	1034	1251	1250
132	167	Treasurer, 1896-1897	1035	1252	1251
133	168	Each 1897-1898	1036	1253	1252
134	169	Treasurer, 1898-1899	1037	1254	1253
135	170	Each 1899-1900	1038	1255	1254
136	171	Treasurer, 1900-1901	1039	1256	1255
137	172	Each 1901-1902	1040	1257	1256
138	173	Treasurer, 1902-1903	1041	1258	1257
139	174	Each 1903-1904	1042	1259	1258
140	175	Treasurer, 1904-1905	1043	1260	1259
141	176	Each 1905-1906	1044	1261	1260
142	177	Treasurer, 1906-1907	1045	1262	1261
143	178	Each 1907-1908	1046	1263	1262
144	179	Treasurer, 1908-1909	1047	1264	1263
145	180	Each 1909-1910	1048	1265	1264
146	181	Treasurer, 1910-1911	1049	1266	1265
147	182	Each 1911-1912	1050	1267	1266
148	183	Treasurer, 1912-1913	1051	1268	1267
149	184	Each 1913-1914	1052	1269	1268
150	185	Treasurer, 1914-1915	1053	1270	1269
151	186	Each 1915-1916	1054	1271	1270
152	187	Treasurer, 1916-1917	1055	1272	1271
153	188	Each 1917-1918	1056	1273	1272
154	189	Treasurer, 1918-1919	1057	1274	1273
155	190	Each 1919-1920	1058	1275	1274
156	191	Treasurer, 1920-1921	1059	1276	1275
157	192	Each 1921-1922	1060	1277	1276
158	193	Treasurer, 1922-1923	1061	1278	1277
159	194	Each 1923-1924	1062	1279	1278
160	195	Treasurer, 1924-1925	1063	1280	1279
161	196	Each 1925-1926	1064	1281	1280
162	197	Treasurer, 1926-1927	1065	1282	1281
163	198	Each 1927-1928	1066	1283	1282
164	199	Treasurer, 1928-1929	1067	1284	1283
165	200	Each 1929-1930	1068	1285	1284
166	201	Treasurer, 1930-1931	1069	1286	1285
167	202	Each 1931-1932	1070	1287	1286
168	203	Treasurer, 1932-1933	1071	1288	1287
169	204	Each 1933-1934	1072	1289	1288
170	205	Treasurer, 1934-1935	1073	1290	1289
171	206	Each 1935-1936	1074	1291	1290
172	207	Treasurer, 1936-1937	1075	1292	1291
173	208	Each 1937-1938	1076	1293	1292
174	209	Treasurer, 1938-1939	1077	1294	1293
175	210	Each 1939-1940	1078	1295	1294
176	211	Treasurer, 1940-1941	1079	1296	1295
177	212	Each 1941-1942	1080	1297	1296
178	213	Treasurer, 1942-1943	1081	1298	1297
179	214	Each 1943-1944	1082	1299	1298
180	215	Treasurer, 1944-1945	1083	1300	1299
1					

Updated

Credited		Debited		Balance	
277	33	General Exp	33 1/2	12 50	—
278	31 1/2	War Loan Exp	31 1/2	11 18	—
279	33	Com. Exp. M. Alt.	2 1/2	10 26	—
280	33	Treasury Exp. 66 Alt.	2 1/2	12 52	—
281	33 1/2	Consolid. Exp.	20 3/4	12 13	—
282	20	Treasury Exp.	20 1/2	12 66	—

**INTERNATIONAL BANK

88 [82½] [3p:Stock 77-82.....] 82½ [-1½] 6.05 | 10.17

****CORPORATION LOANS**

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107	67	Bornham 1951	78	97	11	22
108	68	Northgate 1951	80	98	11	22
109	69	Northgate 1951	81	99	11	22
110	70	Northgate 1951	82	100	11	22
111	71	Northgate 1951	83	101	11	22
112	72	Northgate 1951	84	102	11	22
113	73	Northgate 1951	85	103	11	22
114	74	Northgate 1951	86	104	11	22
115	75	Northgate 1951	87	105	11	22
116	76	Northgate 1951	88	106	11	22
117	77	Northgate 1951	89	107	11	22
118	78	Northgate 1951	90	108	11	22
119	79	Northgate 1951	91	109	11	22
120	80	Northgate 1951	92	110	11	22
121	81	Northgate 1951	93	111	11	22
122	82	Northgate 1951	94	112	11	22
123	83	Northgate 1951	95	113	11	22
124	84	Northgate 1951	96	114	11	22
125	85	Northgate 1951	97	115	11	22
126	86	Northgate 1951	98	116	11	22
127	87	Northgate 1951	99	117	11	22
128	88	Northgate 1951	100	118	11	22
129	89	Northgate 1951	101	119	11	22
130	90	Northgate 1951	102	120	11	22
131	91	Northgate 1951	103	121	11	22
132	92	Northgate 1951	104	122	11	22
133	93	Northgate 1951	105	123	11	22
134	94	Northgate 1951	106	124	11	22
135	95	Northgate 1951	107	125	11	22
136	96	Northgate 1951	108	126	11	22
137	97	Northgate 1951	109	127	11	22
138	98	Northgate 1951	110	128	11	22
139	99	Northgate 1951	111	129	11	22
140	100	Northgate 1951	112	130	11	22
141	101	Northgate 1951	113	131	11	22
142	102	Northgate 1951	114	132	11	22
143	103	Northgate 1951	115	133	11	22
144	104	Northgate 1951	116	134	11	22
145	105	Northgate 1951	117	135	11	22
146	106	Northgate 1951	118	136	11	22
147	107	Northgate 1951	119	137	11	22
148	108	Northgate 1951	120	138	11	22
149	109	Northgate 1951	121	139	11	22
150	110	Northgate 1951	122	140	11	22
151	111	Northgate 1951	123	141	11	22
152	112	Northgate 1951	124	142	11	22
153	113	Northgate 1951	125	143	11	22
154	114	Northgate 1951	126	144	11	22
155	115	Northgate 1951	127	145	11	22
156	116	Northgate 1951	128	146	11	22
157	117	Northgate 1951	129	147	11	22
158	118	Northgate 1951	130	148	11	22
159	119	Northgate 1951	131	149	11	22
160	120	Northgate 1951	132	150	11	22

COMMONWEALTH & AFRICAN LOANS

101	581	1014 1/2 pc 70	99	1-1	558	973
102	582	1014 1/2 pc 70	99	1-1	592	1019
103	583	1014 1/2 pc 70	83	1-1	667	1121
104	584	1014 1/2 pc 70	83	1-1	667	1121
105	585	1014 1/2 pc 70	93	1-1	651	1101
106	586	1014 1/2 pc 70	82	1-1	904	1070
107	587	1014 1/2 pc 70	93	1-1	1011	1166
108	588	1014 1/2 pc 70	83	1-1	---	---
109	589	1014 1/2 pc 70	83	1-1	---	---
110	590	1014 1/2 pc 70	83	1-1	---	---
111	591	1014 1/2 pc 70	83	1-1	---	---
112	592	1014 1/2 pc 70	83	1-1	---	---
113	593	1014 1/2 pc 70	83	1-1	---	---
114	594	1014 1/2 pc 70	83	1-1	---	---
115	595	1014 1/2 pc 70	83	1-1	---	---
116	596	1014 1/2 pc 70	83	1-1	---	---
117	597	1014 1/2 pc 70	83	1-1	---	---
118	598	1014 1/2 pc 70	83	1-1	---	---
119	599	1014 1/2 pc 70	83	1-1	---	---
120	600	1014 1/2 pc 70	83	1-1	---	---
121	601	1014 1/2 pc 70	83	1-1	---	---
122	602	1014 1/2 pc 70	83	1-1	---	---
123	603	1014 1/2 pc 70	83	1-1	---	---
124	604	1014 1/2 pc 70	83	1-1	---	---
125	605	1014 1/2 pc 70	83	1-1	---	---
126	606	1014 1/2 pc 70	83	1-1	---	---
127	607	1014 1/2 pc 70	83	1-1	---	---
128	608	1014 1/2 pc 70	83	1-1	---	---
129	609	1014 1/2 pc 70	83	1-1	---	---
130	610	1014 1/2 pc 70	83	1-1	---	---
131	611	1014 1/2 pc 70	83	1-1	---	---
132	612	1014 1/2 pc 70	83	1-1	---	---
133	613	1014 1/2 pc 70	83	1-1	---	---
134	614	1014 1/2 pc 70	83	1-1	---	---
135	615	1014 1/2 pc 70	83	1-1	---	---
136	616	1014 1/2 pc 70	83	1-1	---	---
137	617	1014 1/2 pc 70	83	1-1	---	---
138	618	1014 1/2 pc 70	83	1-1	---	---
139	619	1014 1/2 pc 70	83	1-1	---	---
140	620	1014 1/2 pc 70	83	1-1	---	---
141	621	1014 1/2 pc 70	83	1-1	---	---
142	622	1014 1/2 pc 70	83	1-1	---	---
143	623	1014 1/2 pc 70	83	1-1	---	---
144	624	1014 1/2 pc 70	83	1-1	---	---
145	625	1014 1/2 pc 70	83	1-1	---	---
146	626	1014 1/2 pc 70	83	1-1	---	---
147	627	1014 1/2 pc 70	83	1-1	---	---
148	628	1014 1/2 pc 70	83	1-1	---	---
149	629	1014 1/2 pc 70	83	1-1	---	---
150	630	1014 1/2 pc 70	83	1-1	---	---
151	631	1014 1/2 pc 70	83	1-1	---	---
152	632	1014 1/2 pc 70	83	1-1	---	---

LOANS

Public Board and Ind.			
61	50	100	8 39
62	50	100	11 55
63	50	100	12 88
64	50	100	13 30
65	50	100	10 59
66	50	100	12 28
67	50	100	6 72
68	50	100	10 17
69	50	100	12 60

Financia

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

BUILDING INDUSTRY, TIMBER:

LAND ROADS

81	94d	461	7.5	52
82	142d	461	7.5	52
83	142d	461	7.5	52
84	142d	461	7.5	52
85	142d	461	7.5	52
86	142d	461	7.5	52
87	142d	461	7.5	52
88	142d	461	7.5	52
89	142d	461	7.5	52
90	142d	461	7.5	52
91	142d	461	7.5	52
92	142d	461	7.5	52
93	142d	461	7.5	52
94	142d	461	7.5	52
95	142d	461	7.5	52
96	142d	461	7.5	52
97	142d	461	7.5	52
98	142d	461	7.5	52
99	142d	461	7.5	52
100	142d	461	7.5	52
101	142d	461	7.5	52
102	142d	461	7.5	52
103	142d	461	7.5	52
104	142d	461	7.5	52
105	142d	461	7.5	52
106	142d	461	7.5	52
107	142d	461	7.5	52
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109	142d	461	7.5	52
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124	142d	461	7.5	52
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127	142d	461	7.5	52
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142	142d	461	7.5	52
143	142d	461	7.5	52
144	142d	461	7.5	52
145	142d	461	7.5	52
146	142d	461	7.5	52
147	142d	461	7.5	52
148	142d	461	7.5	52
149	142d	461	7.5	52
150	142d	461	7.5	52
151	142d	461	7.5	52
152	142d	461	7.5	52
153	142d	461	7.5	52
154	142d	461	7.5	52
155	142d	461	7.5	52
156	142d	461	7.5	52
157	142d	461	7.5	52
158	142d	461	7.5	52
159	142d	461	7.5	52

81

[illegible]

DRAPERY AND STORES

178	Alford Kent Top	248	-1	677.92	2	9	10.9	1
179	Alford Kent Top	248	-1	677.92	2	9	7.9	9
180	Aquasunam 50	37	1	151	3	6	6.2	7
181	Do "Op"	37	1	151	3	6	6.2	7
182	Do "Op"	37	1	151	3	6	6.2	7
183	Do "Op"	37	1	151	3	6	6.2	7
184	Do "Op"	37	1	151	3	6	6.2	7
185	Do "Op"	37	1	151	3	6	6.2	7
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189	Do "Op"	37	1	151	3	6	6.2	7
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358	Do "Op"	37	1	151	3	6	6.2	7
359	Do "Op"	37	1	151	3	6	6.2	7
360	Do "Op"	37	1	151	3	6	6.2	7
361	Do "Op"	37	1	151	3	6	6.2	7
362	Do "Op"	37	1	151				

ENGINEERING

MACHINE TOOLS

105	A & E Machinery	110	3.38
180	A.P.V. 50p.	208	5.71
104	Aerow	110	2.28
68	Do. 3.	80	2.28
225	Adwest Group	259	F10.0
C116	African Spr. Cr.	E155.2	£81.2
55	Allen & Balfour	64	4.40
37	Allen B.	56	£2.82
108	Amal. Power	121	5.28
46	Andros & Clyde	57	2.57

32	Ando-Swiss	37	—
111	Ash & Lacy	124	d6 63
513	Arg. British Corp	7	B—

25	Asiana, Tongling	37	11.01
26	Asiana, Tongling	37	11.01
27	Asiana, Tongling	37	11.01
28	Asiana, Tongling	37	11.01
29	Asiana, Tongling	37	11.01
30	Asiana, Tongling	37	11.01
31	Asiana, Tongling	37	11.01
32	Asiana, Tongling	37	11.01
33	Asiana, Tongling	37	11.01
34	Asiana, Tongling	37	11.01
35	Asiana, Tongling	37	11.01
36	Asiana, Tongling	37	11.01
37	Asiana, Tongling	37	11.01
38	Asiana, Tongling	37	11.01
39	Asiana, Tongling	37	11.01
40	Asiana, Tongling	37	11.01
41	Asiana, Tongling	37	11.01
42	Asiana, Tongling	37	11.01
43	Asiana, Tongling	37	11.01
44	Asiana, Tongling	37	11.01
45	Asiana, Tongling	37	11.01
46	Asiana, Tongling	37	11.01
47	Asiana, Tongling	37	11.01
48	Asiana, Tongling	37	11.01
49	Asiana, Tongling	37	11.01
50	Asiana, Tongling	37	11.01
51	Asiana, Tongling	37	11.01
52	Asiana, Tongling	37	11.01
53	Asiana, Tongling	37	11.01
54	Asiana, Tongling	37	11.01
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FOOD, GROCERIES, ETC[illegible]

HOTELS AND CATERER

INDUSTRIALS

(Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

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Africa

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CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

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Shipping 'threatened' by world subsidies

BY LYNTON MCLAIN, INDUSTRIAL STAFF

PRIVATE ENTERPRISE shipping will die unless governments all over the world stop subsidising shipbuilding, Mr. Ronnie Swayne, the new president of the General Council of British Shipping, said at the council's annual meeting in London yesterday.

Earlier world shipbuilding output had been cut in half. "But if governments continue to subsidise shipbuilding, then this will be a disaster for world shipping," he said.

The industry could not carry on with its financial lifeblood drained away by the artificial maintenance of excess shipbuilding and shipping capacity. Private shipping made a £1bn contribution to Britain's balance of payments in 1976 and this was now threatened.

Governments had to choose between continuing to make shipbuilding an expensive industry, or to let it go, when ships would be built where there was no commercial need, and cutting capacity. Refusal to cut would extend the world slump for many years, he said.

Mr. Swayne said deals like the Polish ships order, heavily subsidised by the UK Government, would provide only a short extension of life to shipyards. They did not guarantee a long-term future.

A quarter of the world oil tanker fleet, 100m deadweight tons, was now surplus to requirements, yet another 17m dwt was due to be delivered this year or next.

This oversupply of tonnage had now started to move into the dry cargo trade, he said. The effect would be severe and long-lasting. The surplus of bulk carriers had risen to 35m dwt and a further 13m dwt would be delivered by next year. This would not be offset by scrapping.

Balance

Supply and demand in the shipping industry would not come into balance until the mid-1980s, even if no more vessels were ordered and if all tankers and bulk carriers over 15 years old were scrapped tomorrow.

Over-supply also now threatened the liner cargo trade. More than half the new tonnage on order was for companies with unfamiliar names and flags. The ships were not intended to replace older vessels and would come on the market when there was little or no growth in liner trades.

Mr. Swayne said there were threats from other directions. The continued expansion of Russian merchant shipping had to be constrained. "The only way we can do this is by concerted Government action. Britain could not act alone."

He said powers were needed to compel Russia to scale down its expansion plans. "An action plan is needed if the Russians are not prepared to contract their operations by negotiations."

"Russia must not get the impression that Europe is so flabby that the Soviets can order massive new tonnage in container and roll-on and roll-off ships for their next five-year plan to 1983."

Mr. Swayne plans to fly to Brussels tomorrow to discuss a common European shipping policy with the EEC Commission. On the agenda will be EEC plans to monitor the Russian fleet's expansion.

Mr. Swayne also warned about the effect of excessive wage demands by British seamen's unions. Britain enjoyed a competitive edge over the rest of Europe largely as a result of moderate pay for crews, he said.

"Some of our maritime unions are worried about the future level of employment for their members. But these unions can do much to help by adopting policies on pay which recognise the harsh realities facing the industry."

Editorial comment Page 22
Swan Hunter cruiser work Page 6

Standby credit announcement expected today

BY DAVID FREUD

DETAILS OF the renegotiated agreement with the International Monetary Fund for the extension of the \$4.1bn (£2.3bn) standby credit are expected to be announced today by Mr. Denis Healey, Chancellor.

He is likely to use a Parliamentary Question dealing with the Fund as an opportunity for telling the Commons that he has asked for the standby to be extended to January 2, the date originally set for its termination.

Details of the agreement will be contained in a letter of intent. This follows the original letter at the end of 1976, when the credit was first agreed, and one in December. Today's statement is expected to make clear that forecasts already given in the Budget will be regarded now as limits. These will be for a public sector borrowing requirement of £8.5bn and domestic credit expansion of £6bn.

A team from the Fund has left London after about ten days' monitoring economic performance. Mr. Healey met members of it last week.

The IMF Board must approve the new letter before the extension can be granted, but this is likely to prove a formality because the two targets are in line with guidelines in previous letters.

Equities and gilts improved yesterday on hopes that the Chancellor's announcement would be associated with moves to tighten control of money supply.

Albright to ask for higher Tenneco bid

BY JAMES BARTHOLOMEWS AND KEVIN DOWD

ALBRIGHT AND WILSON, the UK chemical group being wooed by Tenneco of the Hill Samuel, Albright's adviser is to prepare a case for a higher price than the 165p per share the U.S. conglomerate has offered.

The Board obviously takes very seriously its duty to get the best possible price for shareholders," Mr. Wilson said.

Stock brokers specialising in Albright claim overwhelmingly that 165p is not enough. On a straw poll nine out of 11 considered the offer inadequate.

The company's own broker, Sheppard and Chase, is believed to agree with this view, although it has decided not to write officially to clients because of the number of approvals it would have to obtain.

The leading investment institutions have reacted cautiously. Generally, they want a higher price but they recognise the strength of Tenneco's position and are awaiting the advice of the Albright Board and support evidence.

The shares, which were listed on the Stock Exchange yesterday after the suspension on Tuesday, closed at 165p, up negotiate with Tenneco rather 45p.

Mr. C. N. Wilson, company secretary of Albright, said yesterday: "The hope would be that we would be able to reach agreement on an acceptable price."

The 165p per share offer did not take a great deal of account of our future potential, even though it might appear fair based on last year's results."

Tenneco's statement on Tuesday emphasised the additional technical and financial resources it wanted to inject into Albright.

But Mr. Wilson said yesterday that the present investment programme "can proceed without the aid of Tenneco money. We expect to spend £40m this year and keep up this level of investment for the next two years."

Albright is choosing to negotiate with Tenneco rather 45p.

Dana confirms agreed takeover bid for Turner gearbox group

BY ANDREW TAYLOR AND JOHN WYLES

DANA Corporation, the U.S. motor components manufacturer, last night confirmed that it is to make an agreed takeover bid for Turner Manufacturing—the U.K. commercial gearbox company in which Dana already has a 35 per cent stake.

The news coincides with further moves by Bendix Corporation, another U.S.-based component producer, to restructure its European interests in talks which could lead to a joint venture project with Renault, the French vehicle company.

The two developments—which come while several European manufacturers are calling for policies to establish stronger indigenous component groups—are likely to lead to a strengthening of the American position in European commercial vehicle and car sectors.

Mr. Arthur A. Martin, Dana's European president, said in London yesterday: "This is a major acquisition for Dana and will provide an important base for our expansion into Europe."

Earlier this year, Dana paid around £3m to buy out the outstanding 66 per cent stake—it already owned 44 per cent—in Floquet-Monet, the Paris-based engine parts manufacturer which has an annual turnover of around £25m.

Neither Dana nor Turner had last night released the terms of the latest offer but it is thought that the bid values Turner at around £14.5m. This would mean that Dana is offering around 145p a share, compared with a suspension price of 124p on Tuesday.

Turner, which has been advised by merchant bankers Singer and Friedlander, said that full details of the offer were expected to be announced today.

The talks between Renault and Bendix concern the fast-growing field of electronic engine control systems, now seen as one of the most important elements in improving fuel consumption and reducing exhaust emissions.

Both companies described the discussions as "serious", although Renault has acknowledged that it is also talking to the Thompson-Brandt group of France, West Germany's Robert Bosch, Britain's Lucas Industries, Japan's Shibaura Electric, and the U.S. company Motorola.

Bendix's 92-per-cent-owned French subsidiary, DBA, already being reorganised, is proposed for joint venture with Renault.

News Analysis, Page 25

Leyland to cut 700 jobs

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS plans to phase out nearly 700 jobs at the Canby plant in Coventry over the next 18 months. It is part of a reorganisation programme which will see the introduction of TR7 sports car production there.

The TR7 assembly plant at Speke, Liverpool, will close officially tomorrow with the loss of 3,000 jobs.

Machinery will be transferred to Canby for re-launching the TR7 in time for the international motor show to be held at Birmingham in October.

Some estimates suggest the technical problems involved in the transfer are likely to delay the programme considerably.

But the company has a good stock of TR7s to cover the period.

BL Cars is thought to be exploring the possibility of a soft top version of the car with the more powerful V8 engine.

Such a development would not only make possible a price rise, but also make the car more suitable for the important U.S. market. A relaunch in North America is likely to be timed for next year's spring selling season.

The management has warned shop stewards at Canby that co-operation from the TR7 is essential if output is not to be lost and jobs endangered.

The aim is to achieve the labour relation by the end of next year entirely by natural wastage. Early forecasts suggest the employees required, including staff, for body and assembly operations will drop by 444, to 3,271. Workers on power train operations will fall by 251, to 3,470.

Position of the poor not improved—report

BY STUART ALEXANDER

THE POOR were relatively as poor now as they were 15 years ago, according to the latest report on lower incomes from the Royal Commission on the Distribution of Income and Wealth.

The measures taken by various governments to redistribute wealth have ensured the position of the bottom 25 per cent has not deteriorated, said Lord Diamond, the Commission chairman, introducing the report yesterday. But they have not narrowed the gap.

The 394-page report says that as long as the economy was growing from the beginning of the 60s to 1974, the purchasing power of lower income families grew in line, but it fell in the poor years of 1975 and 1976. Recent economic growth would permit purchasing power for the poor to increase once again, says the report.

Groups most at risk were the elderly, one-parent families, and families with three or more children. Childhood, young parenthood and old age were the three most vulnerable periods and there was a high incidence of lower incomes among the unemployed and disabled.

There was a trend for a number of "life disadvantages" to hit the same person, with links between low skills, low earnings, sickness, disability and unemployment. And there was a tendency for those in a low socio-economic group to have had fathers in the same group.

But an addendum to the report signed by three of the commission members—Mr. George Doughty, Mr. David Lea and Professor Dorothy Wedderburn—says they consider the argument about the genetic determination of personal characteristics associated with earnings, on which the report drew evidence conclusive, to be irrelevant given the inequalities of opportunity that still exist.

All, however, agree on the need for the continued acceptance by the community of its obligation to provide an adequate safety net "to protect people from the main accidents of life."

They draw attention to the poverty trap, where people who take up low-paid work may find their benefits withdrawn, leaving them very little better off.

The report notes the effect of wives' earnings among low-income families and the addendum stresses the need to monitor the availability of employment for working mothers.

Details Page 9

Record cargo through Tyne

CARGO through the Port of Tyne totalled 1,230 tonnes for the first quarter of this year, beating last year's record by nearly 50 tonnes. The increase was due mainly to a rise in oil shipments.

Zaire crisis

Continued from Page 1

at one-third of its capacity or less, the little foreign exchange coming into the country is being used to a significant extent on prestige projects and imported luxury items.

According to the latest IMF statistics, Zaire's current foreign exchange reserves amount to no more than \$184m.

Zaire is not entitled to any further unconditional drawings from the Fund, having already drawn its first credit tranche and being well into its second.

Further drawings would require conditions, and given the present chaotic state of the economy, these would be unlikely to be agreed very quickly.

IMF sources believe it may take up to six months for a clear view of the economy to emerge. In the short term it would appear that President Mobutu will have to seek urgent financial assistance from elsewhere.

Even if the consortium of commercial banks agreed to a new loan, this is likely to make very little practical difference to Zaire's underlying position, given both the present debt commitment and the fact that export earnings from copper are unlikely to pick up for some time to come.

The loan has taken on an enormous psychological significance for Zaire following the huge debt servicing problems of two years ago.

Rio Tinto strengthens oil links

BY PAUL CHEESBRIGHT

RIO TINTO-ZINC, the major UK mining group, is to work more closely with large oil companies. This is the central point of a new development strategy unveiled by the company yesterday.

It will no longer be able to take a sole dominant position in new mines, Sir Mark Turner, chairman, told the annual meeting in London.

Sir Mark also made clear that RTZ was contemplating legal action against War on Want, the charity organisation, because of an open letter to him signed by Mrs. Mary Dines, general secretary. This referred to the effect of mining operations in Australia on the Aboriginal population.

The development strategy was anticipated by the disclosure last month that RTZ had been

having talks with Exxon, the U.S. oil company.

"Large oil companies with their substantial cash flows and engineering experience, and interest in diversifying into minerals, seem to us just the sort of partners we should be seeking in this capital-intensive, escalating business in which we are engaged," said Sir Mark.

The search for partners has been prompted by the inflation of costs which has resulted in new open pit mines needing three or four times as much capital to bring them to production as they did five years ago.

At the same time, the position of mining groups in the financial markets had changed. Sir Mark suggested that the amount of highly geared loan capital on the security of sales contracts might be reduced, or that there would be demands for additional security.

RTZ's acknowledgment of these financial pressures, and its response to them, strengthens the trend of co-operation between mining and oil groups which has emerged strongly over the last two years. At first, oil companies seemed to be confining their activities to energy minerals but their interests have spread into base metals.

At the annual meeting, however, much of the time was taken up by a dialogue between Sir Mark and small shareholders concerned with the rights of the non-white populations in South Africa, South West Africa (Namibia) and Australia.

It was in this context that the question of legal action against War on Want arose. The organ-

THE LEX COLUMN Honour satisfied at BOC/Airco

Index rose 3.4 to 474.0

The stock market perked up late yesterday on the news that a statement on the Government's latest letter of intent to the IMF will be made this afternoon. It seems likely that the Government will promise not to go beyond limits of £8.5bn for the PSBR and £6bn for DCE. The market may still have to worry, however, about whether these figures are compatible with present policies.

BOC International

"Both sides feel that honour and responsibility are satisfied," Sir Leslie Smith assures BOC shareholders in a post-mortem on the BOC/Airco struggle. The Class 1 circular reveals that BOC has raised its bank loan facility from \$400m to \$500m, partly to accommodate the need to repay an earlier \$80m loan at the end of this year. The \$500m is on a seven-year term, with repayment in the final two years, so BOC can now afford to be relaxed about its immediate cash requirements, although no doubt it will be looking out for an opportunity for longer term funding.

What is conspicuously missing from the circular, however, is a pro forma consolidated balance sheet. The problem here is apparently that Airco's assets will eventually be going into BOC's balance sheet at higher values than appeared in Airco's own books: either at the effective purchase cost or in some cases at replacement cost.

Although these higher valuations have not yet been decided, they are likely to be enough to leave consolidated debt at rather less than 50 per cent of total capital employed, against several points over 50 per cent which original Airco figures had used.

As for income, Airco will be fully consolidated for the last five months of BOC's year to September. This will have a substantial impact on BOC's pre-interest profits, but on the bottom line it does not look as though the extra contribution after interest and tax will be more than \$3m to \$4m for the current year.

Meanwhile the half-time results statement from BOC shows that the group has continued to be under pressure in that can raise funds for up to the January-March quarter, 10 years at spreads of 1 of one which produced £15.4m pre-tax against a comparable £19.9m. At French borrowers have even less than there was an improvement, raised funds at a half point only partly seasonal, from the margin over funds. Realising exceptionally low £10.8m of the that they are on to a good thing

a growing number of corporate borrowers are repaying earlier borrowings and refinancing them at substantially lower margins. The situation is not quite as bad as in 1974 when banks were lending 15 year money at margins as low as 1 of a per cent but it is not far off.

Such largesse may be welcomed by borrowers but it is hard to see how banks can justify trying themselves into these long term loans at margins which hardly cover the overheads let alone the cost of capital. Only this month a prominent member of the Federal Reserve Board warned that spreads of below 1 per cent were bound to produce an inadequate return. Must there be another major collapse before bankers see this?

Keyser Ullmann

After the ravages of 1974-75 when it lost £59m, Keyser Ullmann is at last back on a profitable keel. It is no longer relying on clearing bank support, it has doubled its dividend to the princely sum of 1p gross per share, and turned in operating profits of £0.9m, compared with a loss of £2.8m in the previous year.

The group sold off £30m worth of property last year and expects to dispose of another £20m this year. Most of its property portfolio is now revenue producing. However, the big problem is how to reinvest the proceeds of the property realisations. KU has stoutly turned its back on the property market and is trying to build up its lending to British industry. But the further decline in advances indicates that this is no easy task.

Although the group is not very profitable at present there are some attractive parts such as the Swiss bank, which earns around £0.5m per annum, and Southern and Redfern. The bank is highly liquid and deposits are only five times shareholders' funds. At 45p the group is capitalised at just under £25m—against net worth of £35m. A likely take-over plum?

SE Benevolent Fund

Members are reminded that the collection for the Stock Exchange Benevolent Fund closes on Wednesday, May 31. It would be greatly appreciated if those that have not done so would send in their cheques and covenant payments as soon as possible.

Weather

UK TODAY
DRY with sunny periods but rain in N.
London, England, Channel Isles,
Wales
DRY, sunny periods, Max. 16C-18C (61F-64F)
I. of Man, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland
Dry, sunny intervals developing, Max. 16C (61F)
Moray Firth, N.W. Scotland, Orkney, Shetland
Rather cloudy, occasional rain or drizzle at first, Max. 13C (55F)
Outlook: Mostly dry and warm with sunny spells. Rather cloudy and cooler in some E. coastal regions.

BUSINESS CENTRES			
	Y-day	Mid-day	Y-day
Amsterdam	10.11	10.11	10.11
Antwerp	10.11	10.11	10.11
Bahraia	10.11	10.11	10.11
Barcelona	10.11	10.11	10.11
Belmont	10.11	10.11	10.11
Berlin	10.11	10.11	10.11
Birmingham	10.11	10.11	10.11
Bombay	10.11	10.11	10.11
Brussels	10.11	10.11	10.11
Buenos Aires	10.11	10.11	10.11
Cairo	10.11	10.11	10.11
Cardiff	10.11	10.11	10.11
Chennai	10.11	10.11	10.11
Columbo	10.11	10.11	10.11
Copenhagen	10.11	10.11	10.11
Dublin	10.11	10.11	10.11
Edinburgh	10.11	10.11	10.11
Frankfurt	10.11	10.11	10.11
Glasgow	10.11	10.11	10.11
Helsinki	10.11	10.11	10.11
Hong Kong	10.11	10.11	10.11
Jaipur	10.11	10.11	10.11
London	10.11	10.11	10.11

HOLIDAY RESORTS			
	Y-day	Mid-day	Y-day
Alacati	10.11	10.11	10.11
Alanya	10.11	10.11	10.11
Bahia	10.11	10.11	10.11
Blackpool	10.11	10.11	10.11
Bournemouth	10.11	10.11	10.11
Brighton	10.11	10.11	10.11
Cardiff	10.11	10.11	10.11
Cape Town	10.11	10.11	10.11
Casablanca	10.11	10.11	10.11
Cebu	10.11	10.11	10.11
Columbo	10.11	10.11	10.11
Dubai	10.11	10.11	10.11
Edinburgh	10.11	10.11	10.11
Frankfurt	10.11	10.11	10.11
Glasgow	10.11	10.11	10.11
Helsinki	10.11	10.11	10.11
Hong Kong	10.11	10.11	10.11
Jaipur	10.11	10.11	10.11
London	10.11	10.11	10.11

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